FINANCIAL TIMES

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WE WISH ALL OUR CUSTOMERS A MERRY CHRISTMAS AND A PROSPEROUS NEW YEAR
COWIE CONTRACT HIRE LTD
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MOTORING — p9 Motorcycles–Vroom with a view

WORLD NEWS

Tankers hit in Iraqi air strikes

The crews of two oil tankers were forced to abandon ship in the Gulf after air strikes by Iraqi jets firing Exocet missiles.

The Liberian-registered Magnolia, bound for the main Iranian oil export terminal at Kharg Island, lost two crew members in the attack.

The Norwegian tanker, Thorshavet, was left blazing but none of its crew of 19 Norwegians and seven Spaniards was injured. Back Page

Car bomb kills five

A 440-pound car bomb killed five people and injured 30, including 19 children, at a Druze village school near Beirut.

Air fares to drop

Trans-Atlantic air fares this winter appear certain to drop with the cheapest return between London and New York down £10 to £259. Back page

Ethiopia aid boost

The UK Government is to give a further £750,000 immediate emergency aid for drought victims in Ethiopia bringing the total to £10m in two months. In Geneva UN High Commissioner for Refugees Poul Hartling launched an appeal for $11m to help Ethiopian refugees in Sudan.

Bhopal gas neutralised

Scientists are the Union Carbide plant at Bhopal, India, where more than 2,500 people were killed by a lethal gas escape, expected to complete the neutralisation of more than 25 tonnes of methyl isocyanate gas yesterday by converting it into pesticide.

Chemical plant blaze

Clouds of toxic smoke from a fire at an ICI New Zealand factory in Auckland forced people in the area to flee their homes.

Jenkins operation

Social Democrat MP Roy Jenkins had a prostate operation in the Royal Free Hospital and is expected to take a month's convalescence before returning to the Commons.

Messages multiply

Post Office chairman Sir Ronald Dearing expects that 1.2bn letters and cards will have been posted this Christmas, a 30m increase on last year.

Heroin plot penalties

Three men who tried to import £5.5m of heroin, the biggest seizure in the UK, were jailed for a total of 31 years.

Dalglish delight

Cup and League medals stolen from the home of Liverpool and Scotland footballer Kenny Dalglish have been returned. Soccer star Michel Platini is to be made a chevalier of the Legion of Honour, one of the highest French civilian distinctions.

Policeman killed

Maoist guerrillas attacked a power station in Lima, Peru, killing a policeman and seriously wounding another.

No Christmas spirit

Bomb disposal experts in Washington blew up two bottles of Russian vodka sent by a Soviet to a U.S. admiral as a Christmas present because of fears that the package contained a bomb.

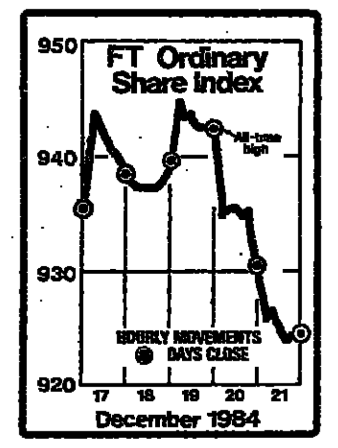
BUSINESS SUMMARY

Balance of trade improves

BRITAIN'S trade balance improved sharply in November after record deficits in the previous three months. The deficit on visible trade fell to £122m from £888m in October. Department of Trade and Industry figures indicated much of the improvement was due to a fall in imports. Back Page

BL's share of the UK car market after 20 days of December registrations was 12.6 per cent against 19 per cent in November, leaving the company in danger of dropping to the lowest level for any month in its history. Back Page

EQUITIES continued to retreat as London stock markets wound down on the last full trading session before the Christmas holiday. Turnover was moderate with business affected not only



by seasonal considerations but also technicalities involving the close of the trading account. The FT Ordinary index closed six points down at 924.3 for a two-day fall of 18.3. Page 20; Lex, Back Page

ORDERS for U.S. durable goods rose 8.3 per cent last month, the sharpest monthly gain in four years, due mainly to demand for military equipment. Page 2

AN INVESTOR group led by Mr Irwin Jacobs launched a takeover bid worth at least $415m (£356.07m) for Tidewater, New Orleans-based group, which operates the largest U.S. fleet of offshore oil rig servicing vessels. Page 17

WEST GERMANY appears to be heading for a record visible trade surplus this year—DM 47.89bn (£13.19bn) for January-November—thanks to booming exports and improved current results. Page 2

HONG KONG Government appointed an inspector to investigate Deak Perera (Far East), foreign exchange and gold dealer that ceased operations two weeks ago, following pressure from depositors for the company to be liquidated. Page 17

INTERNATIONAL Signal & Control Group, U.S.-based defence and communications systems manufacturer, is expanding into Italy with a L175bn (£33.6m) purchase from Bastogi, the Milan financial group. Page 16

BROKEN HILL Proprietary, Australian energy and industrial group, lifted net earnings by 21 per cent to A$341.5m (£240.49m) forthe six months to November 30, reflecting better results from all divisions. Page 17

TOMATIN Distillers called a halt to all share dealing, raising speculation in the City about the company's future. Page 16

Mourning Soviets seek successor to Ustinov

THE SOVIET leadership was faced yesterday with deciding a successor to Marshal Dmitri Ustinov, the Soviet Defence Minister, whose death at 76 has changed the balance of power in the Soviet Union, writes Patrick Cockburn.

Confirmation of the death on Wednesday, after his prolonged illness, came in Edinburgh from Mr Mikhail Gorbachev, seen as second to President Konstantin Chernenko in Soviet rankings. He cut short his visit to Britain to return to Moscow for the funeral.

Marshal Ustinov had been one of the five most powerful figures in the Politburo. Choice of his successor will indicate future power distribution in the Kremlin.

The post is most likely to go to one of three deputy defence ministers. Of these the most notable is Marshal Sergei Sokolov. The other two are Marshal Viktor Kulikov, Warsaw Pact forces commander, who was expected to get the job in 1976, and Marshal Sergei Akhromeyev, chief of staff.

Whatever its impact on internal Kremlin politics, the Marshall's death seems unlikely to prompt any dramatic change in Soviet foreign or defence policies.

As defence minister, the marshall delivered hardline speeches against the U.S. early this year but this period in office was notable for a relatively slow growth in Soviet defence spending up to the start of this year, according to U.S. estimates.

Within the Politburo Marshal Ustinov was associated mainly with Mr Andrei Gromyko, the Foreign Minister, in backing the leadership first of Mr Yuri Andropov in 1982 and, on President Andropov's death this year, the succession of President Chernenko with Mr Gorbachev in place as heir-apparent.

In spite of his militar title Marshal Ustinov's career was built on his role as civilian head of the defence industries. Aged 33 he was made responsible for armaments production at a critical stage of the Second World War.

He was highly successful in this job but was given the rank of general in 1976 only just before he was appointed defence minister and a Politburo member.

His most obvious successor had been Mr Nikolai Ogarkov, the Soviet chief of staff until his dismissal this year.

The appointment of another civilian cannot be ruled out but it seems unlikely Mr Grigori Romanov, the Politburo member in chaarge of the defence industries, would take the job. He is a contender for succession to President Chernenko.

Mark Meredith writes from Edinburgh: Mr Gorbachev said at Edinburgh Airport shortly before departure: "We have had a great and tragic loss in the Minister of Defence, Marshal Ustinov. Our old friend and comrade in arms has passed away."

In a farewell message he said that in his six-day visit a good start was made to the political dialogue between Britain and the Soviet Union. Man in the News, Back Page

UK delays decision on oil price system

BY IAN HARGREAVES IN LONDON AND RICHARD JOHNS IN GENEVA

BRITAIN LAST night hastily put off a decision on the future of its system for pricing North Sea oil as ministers from the Organisation of Petroleum Exporting Countries left Geneva to seek government approval for a radical policing plan to head off a possible collapse in world oil prices.

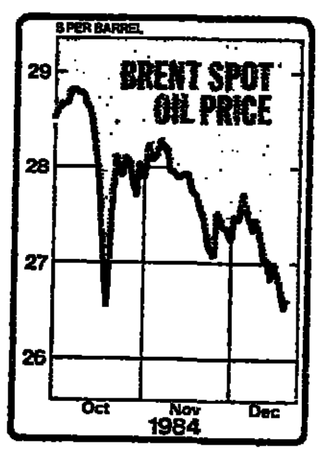
The British National Oil Corporation telexed its suppliers saying it could not yet set the price at which it will buy oil in January. At the same time, it became clear that BNOC's customers have already won a deal under which the price of their January purchases from the state oil trading company will be based entirely on the rates in the stock market.

Britain is clearly hoping that by the time they reconvene in Geneva next Thursday, Opec ministers will have found a formula to stem the decline in the oil spot market, which is causing large trading losses at BNOC and which has precipitated radical reconsideration of Britain's role in setting oil prices.

Some oil companies said yesterday that the British Government should impose a ceiling on booming North Sea production in an attempt to help Opec shore up the oil market. It has been severely affected by warm winter weather, weak demand and rising output.

One possibility put forward from the industry is for the Government to defer its right to take oil under its royalty agreements with North Sea producers. Such a move, however, would make a serious dent in tax revenues and, it is argued in Whitehall, might have little effect on the market if Opec immediately stepped up its own production.

It was clear last night, however, that the Government had told BNOC to step back from the brink of a wholly free



market approach to oil prices.

This is probably in part due to direct pressure from Opec ministers, who have both privately and publicly threatened Britain with a price war if it allows North Sea prices to float freely and refuses to consider production restraints.

The Government has however, been powerless to prevent successful pressure from BNOC's remaining contract customers for a spot price basis for their January deals. These deals have been negotiated independently with each customer, according to a variety of formulae and appear to call for prices in the range of $26.50 to $27.50 a barrel, although some companies are thought to have secured the flexibility to set prices in the light of actual market conditions next month.

The crucial question now facing BNOC is the price it will pay its suppliers in January. If it pays the official price for the current quarter of $28.65 a barrel, it will add to the $45m trading loss provided for this year, but if it switches to a spot market based approach, the Government fears it would be contributing to a sharp downward push for the market.

This, in turn, could provoke retaliation. While no leading delegation to the Geneva meeting envisages an immediate price war, ministers did discuss the possibility of allowing Opec producers to produce freely for a period. This, it is argued, might shock the UK into curbing its own output and helping to underpin the official Opec reference price of $29 a barrel for Saudi light crude. Such a move, with a rapid fall in prices, however, could endanger the political stability of some Opec member states.

BNOC's telex to its suppliers, who should have been notified of January prices by December 15, represents an obvious attempt to delay the next British move until after the resumed Opec meeting.

It said that in view of the present uncertainties in world oil markets, it would be inappropriate to agree a January price. "We cannot in the circumstances undertake to maintain the present prices beyond December 31." The present price is the official fourth quarter price of $28.65 a barrel.

What price BNOC sets will depend upon the outcome of next week's Geneva meeting. The view in the oil industry and among traders yesterday was that Opec is unlikely to succeed with a policing plan which envisages, for the first time, Opec inspectors to check that member states are not chaeating on price or the orgfianisation's 16m b/d production ceiling.

For the past three months, Opec has been producing around 16.8m b/d of oil. UK North Sea output is almost 2.7m barrels a day compared with about 2.1m barrels last year.

Mr Belkacem Nabi, Algeria's

Continued on Back Page
Oil price outlook examined, Page 2
Editorial Comment, Page 14

BT flotation cost totalled £107m

BY PETER RIDDELL, POLITICAL EDITOR

THE RECENT flotation of British Telecom as a public company cost the Government £107m in fees and commissions paid to City institutions and professional advisers.

A parliamentary written answer from the Treasury published last night shows that a total of £162m has been paid on the 13 major sales of public sector assets since 1979.

The figures are an underestimate since they do not include payments for advice by the companies which were being privatised. However, the institutions and advisers concerned obviously incurred costs in dealing with the issues, often quite substantial, so their profits for privatisation work would have been much lower than the published totals.

Nevertheless, the size of the payments, especially in relation to British Telecom, is likely to be taken up by Labour Party and trade union critics of privatisation. They have argued that the flotations have benefited mainly the City and supporters of the Conservative Party.

Mr Tony Blair, a Labour Treasury spokesman, who tabled the question, said last night that the figures showed the need for a further inquiry by a Commons select committee.

The answer lists the firms involved in various categories of advice, but it does not break down the fees and commissions between them.

PRIVATISATION FEES AND COMMISSIONS
(Payments by the Government to underwriters, financial and legal advisers, auditors and stockbrokers)

Issue	£m
British Telecom	107.28
Britoil	11.26
BP (1983)	9.39
Enterprise Oil	9.04
Cable & Wireless (1981)	5.37
BP (1979)	5.22
Cable & Wireless (1983)	5.02

FUNDS RAISED: British Telecom £3.9bn; Britoil £549m; BP ('83) £505m; Enterprise Oil £392m; C & W ('81) £224m; BP ('79) £290m; C & W ('83) £262m.

The leading position of merchant bank Kleinwort Benson and stockbrokers Cazenove is predictably confirmed by the answer, though the legal and accounting work is divided more evenly between the main professional firms.

In detail, the answer shows that the institutions to have benefited most were:

Financial advisers: Kleinwort Benson has been involved with six of the issues, and Rothschilds and Schroders were the other main merchant banks involved.

Primary underwriters: Both Kleinwort Benson and Schroders have been involved in 11 of the issues, well ahead of Morgan Grenfell (seven), and Warburgs (five).

Continued on Back Page

Notts miners prepared to set up own union

By John Lloyd, Industrial Editor

THE NOTTINGHAMSHIRE area of the National Union of Mineworkers is prepared to operate a wholly separate union if it is expelled from the national body.

Mr Roy Lynk, the Notts area financial secretary and the leading official in the area identified with the majority of Notts working miners, said yesterday that the area could survive, and even prosper as a separate entity.

However, he stressed the area would not choose such a move. It would also be taken only if fully backed by the majority of Notts miners.

He was speaking the day after his area council voted 29-2 to delete its rule 30, which had made the area's decisions subordinate to national rule. He said full separation would be unwelcome, but thet possibility would now have to be faced.

"Once you have started down a road, you have to be prepared to follow it through," he said.

Mr Lynk accepted that the national executive committee might vote to suspend or expel the area at its meeting next month.

He thought it more likely, however, that the NUM leadership would challenge the move through the courts — as it has already tried unsuccessfully to do.

Independence for the area union would make it possible, however, to negotiate higher wages than the national rate, and possibly better conditions as well. Notts miners currently received few benefits from NUM membership.

He emphasised that the members had remained loyal to the national union's decisions they considered to be democratic. These included the national overtime ban, and the refusal to accept the National Coal Board's 5.2 per cent wage offer.

He criticised the working miners' groups, from which the area council has voted to dissociate itself. They were now "going over the top" in taking legal actions against the union. Their actions could jeopardise the NUM funds to which Notts working miners and others had contributed.

Continued on Back Page
Dublin court releases part of NUM funds, Page 4

Reckitt buys Airwick for £165m

BY CHARLES BATCHELOR

RECKITT and COLMAN, the household products and foods group, is to make its first major acquisition for many years with the purchase of Airwick, the air freshner maker, for £165m. Airwick has been part of Ciba-Geigy, the Swiss chemical and pharmaceutical concern, for the past decade.

This deal comes less than two months after it failed to secure control of Nicholas Kiwi, the Australian household products company in a three-cornered bid battle.

It will absorb the £106m created by Reckitt's one-for-five rights issue of September.

Reckitt, makers of Harpic, Dettol and Cherry Blossom polish, is the second British household products group to acquire new brand names and expand its international markets this week. On Wednesday Beecham anniunced it would acquire BAT Industries cosmetics division for £125m.

Sir Michael Colman, finance director of Reckitt, said: "This will allow us to exploit our products internationally in the main industrial nations. Reckitt has lacked strength on the Continent and in the U.S."

Reckitt is buying a company with expected 1984 turnover of SwFr 700m (£231m), only slightly higher than the SwFr 680m in 1983 when a profit before tax and interest of just SwFr 29m was recorded. Net assets are SwFr 210m. The prospect that Airwick will dilute Reckitt's profits next yetr wiped 21p off its share price to 552p.

"In our hands this business will be substantially more profitable." Sir Michael forecast. "We would be disappointed if we don't make a 10 per cent profit on sales once Airwick is freed of Ciba-Geigy's fairly high overheads and once it forms part of a household products rather than a chemicals group."

This purchase will increase turnover of Reckitt's household and toiletry division by 50 per cent. Most significantly it will increase five-fold its household products turnover in the U.S., where the British company has spent three years building up sales of $20m from two newly-launched lavatory cleaners, Bully and Swish.

Airwick, a U.S. company acquired by Ciba-Geigy in 1974, makes 38 per cent of its sales in North America, 15 per cent each in France and Germany and 9 per cent in Italy. It makes a range of air fresheners, carpet cleaners and breath fresheners.

It has only a small UK presence where products such as Airwick, Gumption household cleaners and Carters and Cuthberts seeds make for annual turnover of £16m.

The Airwick business formed only a small part of Ciba-Geigy's SwFr 14.7bn annual turnover and was its main consumer-oriented business.

"Internal growth would have taken too long and growth by means of acquisition would have tied up too much cash so we looked around for a partner to merge with or buy the business," Ciba-Geigy said.

Reckitt, advised by S. G. Warburg, was one of a dozen or so household products groups the world which expressed interest. After initial discussions the deal was decided by a sealed bid auction.

Background, Page 3

MARKETS

DOLLAR
New York lunchtime
DM 3.108
FFr 9.52
SwFr 2.5595
Y247.8
London:
DM 3.1155 (3.124)
FFr 9.53 (9.5575)
SwFr 2.5665 (2.571)
Y247.86 (248.05)
Dollar index 143.5 (143.4)
Tokyo close Y247.9.

U.S. LUNCHTIME RATES
Fed Funds 8¼%
3-month Treasury Bills: 7.76%
Long Bond: 103¼
yield: 11.39

GOLD
New York Comex December latest $310.5 ($307.3)
London: $310.875 ($307.25)

STERLING
New York lunchtime $1.1755
London: $1.755 (1.1655)
DM 3.655 (3.63)
FFr 11.22 (11.0575)
SwFr 3.0075 (2.9925)
Y291 (288.5)
Sterling index 73.2 (73.0)

LONDON MONEY
3-month interbank:
mid rate 9⅞% (9⅞)
3-month eligible bills:
buying rate 9⅝% (9 9-64ths)

STOCK INDICES
FT Ord 924.3 (—6.0)
FT-A All Share 579.98 (—0.4%)
FT-SE 100 (1,204.7 (—2.5)
FT-A long gilt yield index:
High coupon 10.33 (10.12)
New York lunchtime:
DJ Ind Av 1,197.66 (—5.63)
Tokyo:
Nikkei Dow 11,474.31 (—39.79)

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,200; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Ireland 60p, Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

France's draft labour pact rejected

By Paul Betts in Paris

INDUSTRIAL RELATIONS in France suffered a major setback yesterday when rank-and-file members of the country's main trade union confederations refused to sign a key agreement on the introduction of more flexible labour regulations.

After nearly eight months of negotiations, French employers and negotiators from the main French unions, with the exception of the pro-Communist CGT, signed a draft agreement on more flexible labour rules earlier this week.

It was the first time the Patronat, the French employers confederation, and the unions managed to agree on the need to adopt a more flexible approach to labour relations in France in response to technological and industrial change.

Under the draft agreement, French enterprises would have been able to lay off workers more quickly.

The draft accord also introduced a consultative process between employers, unions and workers on the impact of technology and would have given enterprises greater flexibility to deal with labour issues.

The union's rank-and-file had until December 26 to ratify the preliminary agreement.

But union memebers, worried by what they regard as an attempt to undermine existing labour regulations, the so-called "Code du Travail," decided not to wait until after Christmas to reject the draft accord.

The decision is embarrassing for moderate labour leaders who have argued that unions must evolve in the face of changing economic and industrial circumstances and rising unemployment. It is also a blow for the Socialist Government which has been striving to implement an industrial policy to modernise French industry.

In a further setback for French industrial relations, the pro-Communist CGT and the pro-Socialist CFDT unions are refusing to sign a labour agreement with Renault, the state-owned car group.

Renault, whose losses according to some recent estimates could total FFr 7bn of this year, is seeking cuts in its workforce.

Ian Hargreaves examines the outlook for oil prices at a time of warm weather and weak demand

Oil producers dance minuet on a market tightrope

MINISTERS from the Organisation of Petroleum Exporting Countries packed their bags in Geneva yesterday, hoping that by the time they reconvene next Thursday the weather will have got colder and the British Government more frightened.

Some observers suggested that the old procedure of adjourning the meeting for a Christmas break, officially designed to give Opec governments the chance to consider a tough quota monitoring regime proposed at Thursday's session in Geneva, was a pre-meditated piece of stage management designed to swing the spotlight back to the North Sea.

Opec ministers believe that high production levels in the North Sea — UK output is running at a record of almost 2.7m barrels a day — coupled with suggestions that the UK is about to switch from quarterly official prices to spot-market-based prices, lies at the heart of the oil market's malaise.

But as Whitehall civil servants and officials of the British National Oil Corporation (BNOC) cleared their desks for the Christmas break, there was no sign that Britain is ready to make the next move in the fragile oil market.

BNOC's telex to its suppliers requesting a delay in agreeing January prices is a straightforward attempt to buy time, so that Opec can meet again before North Sea prices are set.

This minuet between Britain, Norway and Opec is being danced on a market tightrope, which some experienced analysts are convinced is in danger of snapping in the next quarter—with the result that crude oil prices could fall sharply.

A lot of people in the industry have now accommodated themselves to the idea of $25 a barrel for light crudes, but an increasing number talk of prices falling to $20 or below. North Sea Brent was trading yesterday at about $26.50 a barrel—the official price is $28.65.

The reason for this renewed outbreak of pessimism is the unremitting oversupply of oil in the market, at a time when demand has slowed down in response to a weakening U.S. economy.

Free world oil demand has increased by more than 3 per cent this year to around 46.3 m b/d, but is not expected to grow by more than 1 per cent in 1985. Some recent forecasts call for a fall in demand next year.

At the same time, the supply of oil from non-Opec producers is rising gently but steadily, from 26.2m b/d in 1983 to 27.5m b/d this year and a projected 28m b/d next, according to International Energy Agency figures. If anything, these numbers could be on the conservative side.

Against this background, Opec has been attempting to enforce on itself a rigorous régime of production ceilings. Its members are all, even Saudi Arabian, struggling with balance of payments problems.

It had hoped by this autumn to be able to relax these ceilings in response to rising winter demand, but the winter has been warm, non-Opec production has been higher than expected, and the oil companies have continued to cut the level of their stocks.

Opec's hope, although it must now seem something of a wild fancy, is that the weather will suddenly get colder, forcing the oil companies to buy heavily to cover their low stock position.

But so far, that has not happened and in any case, there is doubt about how low the stock position is. The IEA puts the figure at 71 days—the lowest level since the ominous oil industry year of 1979—but Opec ministers, along with others in the industry, think the figure could be much lower, perhaps as little as 60 days.

But the biggest worry for Opec is that rather than cold weather and a rapid stockbuild, the oil market could be buffeted further by two other short-term factors—the potential end of the UK coal strike and the next phase of the deregulation of the U.S. gas market, which takes effect on January 1.

The outcome of these two factors is almost as unpredictable as the weather, but it is true that when the coal strike does end, 0.5 mb/d of oil demand will disappear.

Estimates of the effect of gas deregulation vary widely—some analysts think gas prices will fall rapidly and steeply enough to claim another 2m b/d of oil demand. Others believe the effect will be marginal.

At the same time, refinery overcapacity, especially in Europe, represents a further drag on prices. This will not go away, at least for another four or five years.

These cheerless thoughts explain why Opec is waiting on Britain, which is waiting on Norway, and why everyone is dreaming of a white Christmas.

Economy of Latin America grew 2.6%

By Hugh O'Shaughnessy

THE ECONOMY of Latin America grew this year by 2.6 per cent, largely because of a 20 per cent jump in the region's exports to the U.S., according to a report by the UN Economic Commission for Latin America and the Caribbean.

The growth, after two years of contraction, was, however, accompanied by rises in the rate of unemployment and record rates of inflation. The region's average inflation rate rose from 85 per cent last year to 118 per cent this year. Bolivian inflation reached 1,100 per cent. At the other end of the scale inflation in Panama was 1.1 per cent.

The highest growth rates this year were registered by Chile with 5.5 per cent and Peru and Brazil with 3.5 per cent.

Nineteen countries of the region achieved a balance of payments surplus—the first since 1980—and halted a fall in their foreign currency reserves.

These results were achived, according to he commission, by a big increase in exports from Brazil, Argentina, Mexico and Venezuela. The region's overall trade surplus totalled $37.6bn (£29.5bn).

"Though the region is better able to service its large external debt, inflows of capital are only half as great as payments of debt services. These payments, the report says, constitute "a serious limitation on real economic recovery."

Rise in West German exports boosts visible trade surplus

BY JONATHAN CARR IN FRANKFURT

WEST GERMANY appears to be heading for a record visible trade surplus this year, thanks to booming exports, and an improved current result.

Official figures released yesterday show a trade surplus of DM 6.97bn in November, down from the DM 8.8bn of a month earlier but more than twice the DM 3.4bn recorded in November, 1983.

This brings the total trade surplus for January-November to DM 47.89bn compared with DM 37.98bn in the same period last year. Since December is traditionally a month of big surplus, the results imply that the figure for the whole year will surpass the record DM 51.3bn achieved in 1982.

After allowing for deficits on "invisibles" like services and transfer payments, the current account in November showed a surplus of DM 5.9bn, after one of DM 6.1bn in October and DM 1.2bn in November, 1983.

The current account surplus for the first 11 months totals DM 11.4bn, already more than the DM 10.3bn achieved in the whole of 1983.

The key factor in the improved German results has been a surge in exports in the first 11 months, to a value of DM 446bn, which has outpaced the growth in imports, which were worth DM 398bn.

After allowing for changes in import and export prices, exports in real terms grew by 10 per cent while imports were up 6 per cent.

Deliveries to the U.S. have risen particularly sharply—by nearly 50 per cent— thanks not least to the soaring dollar, against which the D-Mark has dropped by more than 12 per cent since the end of 1983.

But exports to the European Community countries have also been rising fast, boosting the German trade surplus with other members of "the ten" to DM 20.3bn in the first 10 months compared with DM 14.3bn in the same period of 1983.

The boom in foreign orders to German industry this autumn and winter indicates that a new export record is likely in 1985 (barring an early collapse of the dollar and a sudden rise in trade protectionism).

A survey pubished recently by Commerzbank estimates that the German trade surplus could rise to around DM 60bn next year, and the current account su-plus to some DM 20bn.

Austrian environmentalists occupying the building site of a controversial Iver Danube dam have pledged to celebrate Christmas there to prevent construction work, Reuter reports from Vienna. A spokesman said last night that 5,000 people were expected to spend Christmas Eve at the site in the Auwald, one of Europe's last primeval flood forests, near Hainburg, between Vienna and the Czechoslovak border. More than 20 people were injured and 48 arrested in clashes at the site on Wednesday when demonstrators tried to break through police cordons to stop the felling of trees for the project.

Community farmers' incomes rise

By Ivo Dawnay in Brussels

FARMER'S incomes in the EEC have risen in real terms by 3 per cent in 1984, according to figures released yesterday by the Community's statistical office, Eurostat.

The rise compares with a fall of nearly 13 per cent last year and will be used as ammunitio nby those seeking to restrain product price fixing negotiations in Brussels in March.

The highest incomes rises were in Denmark (up 20 per cent), Greece (11 per cent) and the UK (10 per cent) while falls were recorded in Italy (down 1 per cent), Belgium (7 per cent) and and Luxembourg (1 per cent).

The figures are based on an assessment of the net value added by agricultural production in real terms in relation to each unit of labour input. This shows a 3.8 per cent rise compared with 1983.

For farmers and their families—this gave a 3 per cent rise. But when taken as the total income available for all employed in agricuture, incuding hired workers, this falls to a 2 per cent increase.

The improvement brings incomes back to the kind of level enjoyed during the late 1970s for the EEC as a whole farmers appear to have suffered a substantial decline.

The importance of the fall in German earnings is likely to be felt during the farm price talks in March when, it is predicted, Bonn will oppose attempts to substantially cut some prices.

Polish party meets

Poland's Communist leadership began a two-day meeting yesterday which may decide whether a party shake-up is necessary following the murder by police of a radical Roman Catholic priest, diplomats said, Reuter reports. Gen Wojciech Jaruzelski, the party leader, told the opening session of the meeting that organisational matters would be discussed. Diplomats said they thought he was referring to investigation into the possible party involvement in the death of Father Jerzy Popieluszko.

Thatcher snubs plea for debate on HK

BY DAVID DODWELL IN HONG KONG

BRITAIN'S Prime Minister, Mrs Margaret Thatcher, yesterday poured cold water on the idea of an annual parliamentary debate on Hong Kong, effectively rebutting one of the key requests of a delegation of political leaders from the territory who lobbied British MPs early in December.

Speaking in Hong Kong after a two-day visit to Peking to sign the Sino-British joint declaration on the territory's future once China regains sovereignty in 1997, the British Premier also contested claims made by local journalists that Britain had, in negotiating the agreement, put the interests of Hong Kong people second to the pragmatic need to force stronger commercial ties with mainland China.

The visit to Hong Kong has been marked by stirring speeches intended to buoy local confidence and to assure Hong Kong people that Britain maintains a close interest in their future.

In the course of two years of secret negotiations between Britain and China, the territory suffered a number of political and economic crises because of uncertainty over its future.

Local political leaders were surprised when Mrs Thatcher said there would be no need for a formal annual debate on Hong Kong at Westminster.

She said the British Government would continue to be kept abreast of Hong Kong affairs by the colonial administration, and that Parliamentary debates would occur "from time to time."

Mrs Thatcher rejected Press suggestions that Britain had betrayed the interests of Hong Kong people, passing them from the free world into Communist Chinese hands.

Mrs Thatcher's visit has given the Territory's equity markets a powerful boost, with the Hang Seng index ending the week at its highest level for over two and a half years. In a third day of heavy trading, the index rose 14.17 points, to close at 1,198.59.

● The Prime Minister firmly rejected speculation that a split was emerging between her and President Reagan over "star wars" technology, agency reports from Honolulu.

She said the freedom of the West "depends on the strength of the alliance between Britain, Europe and the U.S."

Mrs Thatcher was speaking during the 24-hour flight from Hong Kong to Washington for talks with the President at his Camp David retreat in Maryland.

The "star wars" issue will dominate their talks today.

U.S. factory orders for durable goods up 8.3%

BY PAUL TAYLOR IN NEW YORK

NEW FACTORY orders for durable goods in the U.S. increased by a seasonally-adjusted 8.3 per cent to $104bn (£86bn) in November over the previous month, bolstered by a flood of new orders for defence capital equipment, the Commerce Department reported yesterday.

This larger-than-expected November increase follows a revised 2.6 per cent decline in October and a 3.3 per cent decline in September, and is the largest jump since September 1980.

However, economists were cautious yesterday about interpreting the figures which follow a string of mixed economic indicators.

These include the 2.8 per cent "flash" fourth-quarter Gross National Product (GNP) estimate and the modest 0.2 per cent November consumer price index increase, released earlier this week.

The Commerce Department said that more than half the increase came from a large number of new orders for defence capital goods, which increased by 99.4 per cent. Without the defence component, new orders for durable goods rose by 3.3 per cent last month.

Paris Club to restructure Manila debts

By Margaret Hughes

THE FRENCH Finance Ministry announced yesterday that the Paris Club of Western creditor nations has agreed to restructure the Philippines' government-to-government debt.

The Ministry did not disclose how much was to be restructured but it is understood to be about $1.1bn (£917m) representing the debt falling due up until 1986.

Repayments will be stretched over 10 years with five years grace. This is the same time frame as agreed for the $5.8bn commercial bank rescheduling. However, interest rates will be agreed on a bilateral basis as is customary with Paris Club restructuring.

Last week the International Monetary Fund (IMF) approved an SDR 615m standby credit for the Manila Government after commercial banks announced that they had committed 92 per cent of the $925m new money agreed as part of the overall rescheduling package.

Record EEC meat output forecast

MEAT PRODUCTION in the EEC is expected to reach record levels in 1985 which could mean some lower prices for consumers, the UK's Meat and Livestock Commission said.

EEC beef and veal production could reach a record 7.3m tonnes by the end of this year with a slight rise in 1985. Exports outside the Community are likely to reach 780,000 tonnes while imports should be down to about 420,000 tonnes.

Arkhipov stresses Sino-Soviet trade links

BY PATRICK COCKBURN IN MOSCOW

MR IVAN ARKHIPOV, the most senior Soviet leader to visit China since 1969, said on arrival in Peking yesterday that his Government was "convinced that there exists vast potential" for increased business co-operation between the two countries.

The visit of the Soviet first deputy premier, who specialises in China, is seen as indicating better relations between the two main Communist powers.

China, hwoever, continues to emphasise three obstacles to better relations—the Soviet presence in Afghanistan, its support for Vietnam in Cambodia and the concenaration of Soviet forces on China's northern

Trade has been growing and is expected to reach $1bn (£862m) in bilateral exchanges this year. Moscow tends to regard bilateral trade figures as a barometer of relations with other countries, but there is little chance of it compromising on any of the issues highlighter by the Chinese.

Mr Arkhipov stressed that his talks with Chinese leaders would focus chiefly on trade, scientific, technical and economic ties.

He also said the talks would take place in the context of recently improved relations.

Since 1982 relations between Moscow and Peking have shown a tendency to improve, in part because of President Reagan's more sympathetic attitude towards Taiwan. As recently as this May, however, Mr Arkhipov suddenly postponed his trip to Peking.

This was widely attributed to Soviet anger at President Reagan's visit to China and clashes on the Vietnamese border.

OBITUARY: MARSHAL DMITRI USTINOV

Hardliner who played king-maker

BY PATRICK COCKBURN

THE DEATH of Marshal Dmitri Ustinov, the Soviet Defence Minister, marks a significant change in the composition of the ruling Soviet Politburo of which he was a key member.

The 76-year-old marshal's death comes after at least two months' illness which prevented his review of the traditional procession of troops and tanks in Red Square this year to mark the anniversary of the October Revolution.

Although he served briefly in the army as a teenager, Marshal Ustinov was always associated with the Soviet defence industries.

In his twenties, he was an engineer in a naval research institute and in 1938, aged only 30, he was made head of the large Bolshevik arms factory in Leningrad.

At the outbreak of war in 1941, Ustinov was promoted by Stalin to be Commissar or Minister of Armaments.

In this job, he played a key role in the Soviet war effort. Victory over Germany was

Marshal Ustinov . . . key figure in Soviet defence effort

achieved in part as a result of Soviet capacity to produce large numbers of high-quality weapons despite the loss of many armaments factories to the advancing German armies.

During and after the war, Marshal Ustinov continued to be promoted thtrough the ranks of the Communist Party, but it was to his abilities as the Soviet Union's defence industry specialist that he owed his promotion.

In the 1950s, he was put in charge of the Soviet strategic missile programme by Nikita Khruschev.

He obtained the rank of general and later marshall in 1976 when he succeeded Marshall Grechko as Defence Minister. He also became a full member of the Politburo.

His attitude to the Strategic Arms Limitation Talks (Salt) was certainly more positive than many members of the Soviet General Staff.

Equally significant, the share of the Soviet Gross National Product devoted to defence and space has been static. Since 1976 at about 13 per cent of GNP, according to U.S. estimates.

This was a very surprsing reaction by the Soviet Union to increased U.S. defence spending under President Ronald Reagan.

Marshall Ustinov's political authority also grew in the last years of President Leonid Brezhnev. He played a key role in giving the leadership to Mr Yuri Andropov in 1982.

When Mr Andropov died earlier this year, the Defence Minister — along with Mr Andrei Gromyko, the Foreign Minister, and Premier Nikolai Tikhonov, made Mr Konstantin Chernenko leader, with Mr Nikhail Gorbachev as his powerful deputy.

Over the last year, Marshall Ustinov had acquired a more hardlie reputation among Western diplomats.

His departure will not sensibly change Soviet policy in the near future, but his successor is unlikely to wield anything like the same authority.

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Firecracker to resubmit trainer offer next year

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

HUNTING FIRECRACKER Aircraft is to submit to the Defence Ministry early in January its best and final offer in the Royal Air Force competition to find a basic trainer aircraft. It will compete with the British Aerospace/Swiss Pilatus PC-9 and the Short Brothers/Embraer Tucano.

The decision to accept the ministry's offer to compete after all, following rejection of the Firecracker announced in parliament this week, was settled at a board meeting yesterday.

The reversal of the ministry's original decision followed protests from MPs representing Midlands industrial areas where the Hunting Firecracker would be built, if the aircraft wins the competition.

The feeling in parliament, and at Hunting Firecracker, is that the original dismissal was arbitrary and based on no logical examination of data submitted by the company in support of its aircraft.

The ministry is also accused of taking no account of support for the Firecracker expressed in a Lords debate a few weeks ago and by many MPs who believe it should be given a fairer examination because it is the only British-designed aircraft in the competition.

Though reversal of the ministry's original rejection was welcomed by MPs yesterday, there is still anger at the way the rejection was handled and announced. The matter is likely to surface in the Commons when the House resumes after Christmas.

Among points Hunting Firecracker will submit is that its production costs represent a true and fair view of the bill to build a basic trainer without subsidies from foreign aerospace producers.

Another argument is that by selecting either of the foreign entries the UK would in effect subsidise development of foreign aerospace industries and might continue to do so. and promote their products overseas. This argument is based on the fact that many overseas air forces are waiting on the RAF decision before settling their own basic trainer requirements.

In reply British Aerospace and Short Brothers say their aircraft will be built largely in the UK anyway and that they will be able to share in any overseas markets those aircraft may generate.

Owen attack rejected by JMB directors

By John Moore, City Correspondent

JOHNSON-MATTHEY Bankers, rescued from near-collapse 10 weeks ago by the Bank of England, yesterday replied to suggestions by Dr David Owen, leader of the Social Democratic Party, that the banking group's bullion business had lost money and might continue to do so. Mr Patrick Brenan and Mr Martin Harper, JMB directors, said that Dr Owen's figures and therefore his conclusions were wrong.

Dr Owken in an open letter this week to Mr Nigel Lawson, the Chancellor of the Exchequer, said the Bank of England would have to provide much more than the £75m it had committed already to cover the losses of JMB. He said JMB's problems were not due just to bad loans but to serious trouble in its main business, bullion dealing.

Dr Owen said his economic advisers' calculations showed that JMB's bullion operations had made sizeable losses and that these problems would continue. He asked the Chancellor to confirm that no further public money would be risked over JMB.

In a letter to the Financial Times Mr Brenan and Mr Harper say: "The newly appointed directors now have sujcient information to confirm that JMB's bullion business not only has been profitable but remains so.

"The losses are overwhelmingly attributable to band lending of poor quality. Lending money is easy. Lending in the confident expectation of punctual repayment is another matter.

"The new board with able help from the staff and from other banks, is making progress. It would be a great pity if the job were made more difficult by wrong conclusions based on incorrect data."

Dr Owen had asked the Chancellor to confirm that no further public money would be put at risk over JMB. Mr Lawson told Dr Owen yesterday that he had nothing to add to his earlier statement.

Mr Robin Leigh-Pemberton, Governor of the Bank of England, in his own letter to Dr Owen said: "The advice which you have received is ill-informed and the conclusions you draw ill-founded." Mr Leigh-Pemberton said the problems at JMB arose on the commercial loan book. The bullion dealings were and remained profitable.

He said Dr Owen's assertions would diminish the confidence of JMB's customers and counterparties and their willingness to do business with the company. This would lessen the value of JMB when it came to be sold back to the private sector and could only increase the risk of loss from the rescue

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Trade deficit for information technology estimated at £2.1bn

BY KEVIN BROWN

BRITAIN'S balance of trade deficit in information technology was estimated by the Government yesterday at £2.1bn. That compares with an estimate of £800m by the National Economic Development Office in its report, The Crisis Facing UK Information Technology, issued in August.

Mr John Butcher, the juion Trade and Industry Minister, told the Commons that the Government was concerned about the deficit because of the extent to which information technology underpinned other commercial and industrial sectors.

"No modern industrial nation can afford to ignore the health of its information technology industry because it is central to bringing about a more generally internationally competitive position for the UK," he said.

The Trade and Industry Department said later that Nedo estimate was based on official trade statistics for which the criteria were drawn up 15 years ago. The classifications had been superseded by the developments in information technology of the last five years, and new criteria were being produced.

Neither the department nor the development office were confident, however, that this explained the size of the gap between the two estimates.

Mr Butcher told the Commons that reliable estimates were hard to obtain because of the difficulty of defining the industry, it was clear that the trade position had deteriorated over the last five years.

"This suggests that the British information technology industry has a major task ahead of it to maintain international competitiveness, and the Government is not complacent about the level of international competition which the industry faces."

The Government had provided £570m in aid for information technology since 1979, and about 100 proposals had received technical approval under the £350m Alvey advanced research programme.

Mr Butcher refused to say, however, whether the moratorium on spending on support for innovation schems would be lifted at the end of the present financial year.

Mr Stuart Randall, Labour MP for Kingston-upon-Hull, accused the Government of "indifference and complacency" toward science and technology. Britain's share of the world market for information technology had fallen from 9 per cent in 1970 to 4 per cent.

He accused the Government of fumbling, inconsistent and fragmentary policies, which were accentuating the technology gap between Britain and its industrial competitors.

The Government should initiate a public procurement policy for information technology which would encourage indigenous industry. "If we continue in this way, our industry will consist of merely a set of branch offices of the large multinational corporations," Mr Randall said.

"When is the Government going to start providing an environment to allow this vitally important industry to thrive and move out of the serious crisis this Government has helped to create?" he asked.

Workers at Southampton opt for redundancy

By Andrew Fisher, Shipping Correspondent

THE FLOW of redundancies a the port of Southampton, wher the container terminals hav ben idel for nine weeks, co timued yesterday as 170 mor employees voluntarily opted t leave their jobs.

This brings voluntary re dundancies in the last fe months to nearly 700. The jo losses are part of a cost-savin campaign by the port, whic wants to lower its charges t shipowners.

Although none of thos leaving yesterday were docke around 160 registered dock have so far taken redunda and the port is hoping that more will leave.

No container ships have ca at the port since October aft the dispute began over propo new shifts and manning lev which the dockers refused t accept.

The workforce is down about 1,600, including 9 dockers. For most of the latte there is no work while co tainerships are staying away.

Associated British Por which owns the Hampshire po cut the fall-back pay dockers without work—they not actually on strike—to £ from £123 earlier this month.

On Thursday, Mr Mich Gibbons, one of the dock failed to have this cut resto by the High Court. ABP ma the £40 reduction because said the union had ended th local port agreement on pay an working practices.

The port aims to cut annual costs by up to through the redundancies an proposed shift and mann changes. The unions offered savings which they at £5m, though the manageme claims they are less.

Southampton's losses year are likely to total seve million pounds as a result of t dispute and this summer's do strikes, City analysts estim

Tabuchi to set up on Teesside

BY NICK GARNETT, NORTHERN CORRESPONDENT

TABUCHI Electric, the Japanese electronic component manufacturer, said yesterday that it would set up a factory on Teesside to produce transformers for microwave ovens, video recorders and colour television sets.

The factory, involving development expenditure of up to £3m on a three-acre site at Thornaby, near Middlesbrough, is expected to create 150 jobs within two years. Most will go to people in the Cleveland area which has the highest county unemployment rate in mainland Britain.

Tabuchi, based in Osaka, has turnover of £190m worldwide and supplies transformers for 40 per cent of the UK's microwave oven market, but all of them for imports.

The Teesside development will be the first production centre in Europe for Tabuchi, which has factories in the U.S. and South Korea. The company said yesterday that it expected 90 per cent of its material requirements for the UK facility to be provided by British companies.

Tabuchi will use the Thornaby site as the base for a European sales drive. The company is receiving between £150,000 and £250,000 in employment subsidies from Cleveland County Council and grants worth 15 per cent of plant costs as a result of Thornaby's development area status. It expects to begin production at the factory, provided by English Estates, next summer.

Cleveland's unemployment rate is 23.1 per cent. The rate in the Stockton travel-to-work area, which includes Thornaby, is 20.7 per cent and that in adjacent Middlesbrough is 24 per cent. The north-east as a whole has a 20 per cent jobless rate.

The development underlines the value of the work carried out by the North of England Development Council, which has been talking to Tabuchi for six years. It also indicates the continuing success of the North-East in attracting investment from outside Britain. Nissan's new car production facility under construction at Sunderland airport is 30 miles north.

There are only a few Japanese manufacturing sites in the North-East, including NSK ball bearings at Peterlee and Polychrome, which makes printing plates, at Berwick, but a large number of U.S. and European, particularly Scandinavian, companies have been attracted to the region in the past decade.

One of Tabuchi's operating characteristics is the profit-sharing bonus systems, which are operated in all its plants.

Mr Norman Lamont, Minister of State at the Industry Department, said Tabuchi's new production facility was a further example of the continuing confidence many Japanese companies were showing in Britain as the preferred base for their European manufacturing.

Ordnance to cut MoD link

BY ANDREW FISHER

THE ROYAL Ordnance Factories, which thme Government plans to privatise at a possible price of more than £300m, will cease to be part of the Ministry of Defence on January 2.

Announcing this yesterday, the ministry said that the factories will the nstart trading as a fully-fledged commercial company called Royal Ordnance plc.

It added that no estimate could be made at this stage of the likely proceeds of privatisation, for which the date and details have yet to be decided.

The Government has already said that 1,819 jobs of a total of 18,800 will go at four of the 13 factories, although the cuts were not linked with privatisation.

The sole shareholder in the new company will be Mr Michael Heseltine, the Secretary of State for Defence. The Government has stated that the organisation will be sold as an entity rather than in units.

Profits of the factories slipped in the financial year to March 31, 1984, from £68.8m to £66.7m. They are grouped into four divisions: ammunition, explosives, small arms, and weapons and fighting vehicles.

The sale to the private sector is expected to take place in mid-1986. The company has been increasing its capital spending and bringing in new technology ahead of the stock market flotation.

Labour MP to retire

MR LAURIE PAVITT, Labour MP for Brent South, has announced he will retire from his seat in north-west London at the next general election.

Mr Pavitt, 70, has served the area as an MP for 25 years.

His retirement is likely to open the seat to an inter-party battle. Mr Pavitt and many of his supporters are known to favour a black MP for Brent, which has a 50 per cent ethnic population, one of the highest in Britain.

The seat has a Labour majority of 10,519. It is next door to Brent East where Mr Reg Freeson, the sitting MP, is facing a left-wing re-selection challenge.

EEC budgets £93m for depressed UK regions

BY IVO DAWNAY IN BRUSSELS

THE EEC yesterday announced a new tranche of measures worth £93m to help UK textile, shipbuilding and steel-making regions hit by plant closures.

The largest sum of £66m is to be aimed at job-creation projects in textile-producing areas in Northern Ireland, Tayside in Scotland, Yorkshire and Lancashire. The total cost of the five-year programme, devised by the UK Government, is about £134m, of which almost half will come from the EEC regional development fund (ERDF).

Two smaller yet similar schemes are to be introduced with a £19m ERDF grant for steel and one worth £10m for shipbuilding. These will be backed by UK government support giving total aids of £35.7m and £22.8m respectively.

The programmes, complementing a 1982 scheme, are intended to stimulate the creation of small and medium-sized businesses. However, where previously the money was mainly used to improve run-down areas or to convert disused buildings, the new emphasis is on providing software for new enterprises.

The ERDF funds will also be used to set up consultancy groups aimed at promoting innovation in industry and services and giving better access to risk capital.

AMI pays £10 for hospital

By Lisa Wood

AMI, the U.S.-based priva hospital company, has boug the Portland Hospital f Women and Children, London, for about £10m.

The company was frustrat recently in its attempt to b the Royal Masonic Hospital west London when Freemaso blocked the sale.

Acquisition of the Portlar Hospital brings to 12 the nu ber of UK hospitals in the A group and makes them tl largest independent hospi group in this country, wi more than 1,100 beds.

Jenkin admits £700m error in grant order

BY PETER RIDDELL, POLITICAL EDITOR

THE MISFORTUNES of Mr Patrick Jenkin, the Environment Secretary, continued up to the start of the parliamentary recess yesterday, when he was forced to admit a mistake of £700m in the order setting out the rate support grant to local authorities for 1985-86.

The order, published only 10 days ago, specifies a block grant to councils of £8.96bn instead of the intended figure of £8.26bn, an apparent gift of £700m to councils.

Consequently, the original order had to be withdrawn by the Department of the Environment and a new one laid before parliament with the correct figures.

The only result of the error is that the Commons debate on the order will have to be postponed by about a week, when Parliament resumes in the New Year. Officials blamed "printers' errors" for the problem.

However, Dr John Cunningham, the "shadow" Environment Secretary, said that the episode was yet more evidence of the shambles that existed in the Department of the Environment. "It is apparent that the most important local government financial report of the year cannot be produced properly by the responsible Government department.

"Major errors in calculations appeared in the report which, if approved by Parliament, would have caused massive confusion —hence, the ignominious statement that the whole report has been withdrawn," Dr Cunningham said.

Attack on pension tax plan

By George Graham

CHANGING th etax treatment of pensions would be the most damaging alteration to the UK tax system that the Government could make, according to the British Insurance Brokers' Association.

Taxing the investment income of pension schemes would immediately increase the cost of providing pensions by about 15 per cent, rising to 30 per cent in the longer term, said Mr Dickie Alexander, chairman of the association, in a letter to the Chancellor of the Exchequer.

It would make British companies less competitive than their overseas rivals, Mr Alexander said, and would put employnmees in the private sector at a disadvantage compared with those in the public sector as a disadvantage compared with those in the public sector, whose pension schemes are funded on a pay-as-you-go basis rather than by investments.

Imposing a tax charge on the lump-sum payment could lead to financial difficulties for many people close to retirement who have made commitments in the belief that they would receive this sum tax-free.

"The lump-sum taken on retirement represents the only opportunity which many people have to build up a capital sum," Mr Alexander said.

Government vote

Mr Peter Lloyd, MP, has asked us to point out that he voted with the Government during last Wednesday's vote on local authority housing expenditure. He did not abstain, as we reported in our first edition of December 20.

BOC chief executive joins Grand Met board

BY MARTIN DICKSON

MR RICHARD GIORDANO, chief executive of the BOC group and Britain's highest paid director, has been appointed to the board of Grand Metropolitan, the food, drink, and hotel group, as one of three non-executive directors.

United States-born Mr Giordano, who received £771,600 from BOC in the year to September 30, will be paid £15,000 a year by Grand Metropolitan—the standard non-executive director's fee—when he takes up his post next year.

Mr Stanley Grinstead, Grand Metropolitan chairman, said: "Mr Giordano's international experience and talents will be of great benefit to the company, particularly in view of our expansion in the U.S. and in the international sector."

Mr Giordano is already a part-time member of the Central Electricity Generating Board and a non-executive director of the U.S.-based Georgia Pacific Corporation.

He will be replacing Mr Alex Dibbs, deputy chairman of British Airways, who is due to retire from the Grand Metropolitan board next year. The other non-executive directors are Mr John Harvey Jones, chairman of ICI, and Mr Frank Pizziola, a partner of Lazard Freres, the New York bankers.

Tony Jackson and **John Wicks** examine Reckitt & Colman's purchase of Airwick

Stockmarket questions the price of industrial logic

RECKITT & COLMAN'S purchase of Ciba-Geigy's Airwick business for SwFr 500m (£165m) looks an ideally convenient transaction for both sides. In terms of industrial logic, that is. As to the price, the UK stockmarket evidently has its doubts. The Reckitt price fell 21p yesterday to 552p.

As to market logic, Airwick's business is something of an anomaly in Ciba-Geigy's structure but is much closer to home for Reckitt.

The Swiss company is one of the three biggest pharmaceutical concerns in the world. It holds a similar position in agrochemicals. These two divisions, by outside estimates, account for a good 80 per cent of Ciba-Geigy's group profit.

Airwick, by contrast, is the world's biggest maker of air-fresheners. These have consumer market which is small by the standards of household giants like Proctor and Gamble, Unilever and Colgate Palmolive but usefully close to markets such as lavatory cleaners in which Reckitt is already active.

For the stock market the price being paid is evidently a stumbling block. Airwick's profits before interest this year will evidently be little different from the previous year's £9m.

By implication Reckitt is paying a price equivalent to nearly 40 times Airwick's 1984 earnings. This is fairly steep for a company which has had an indifferent profits record since being acquired by Ciba-Geigy 10 years ago.

Analysts reckon that in the coming year the ffect will be to depress Reckitt's earnings per share by at least 5 per cent from what they would otherwise have been. Reckitt, however, is unrepentant.

Sir Michael Colman, Reckitt's finance director, says: "The earnings multiple is obviously very generous by whatever standards you apply. But Airwick is a consumer business which is not very large in Ciba-Geigy's terms in any of the countries in which they operate.

"And as a major chemical company, they are applying overheads in a business environment quite different from ours."

After marketing expenses, however, he says Airwick's returns are quite respectable.

"We wouldn't be satisfied with a pre-tax margin on sales of less than 10 per cent. After we've linked their business in with our own consumer products round the world, we're quite confident that by the end of 1985 we can make that figure."

Reckitt's intention to extend its household products interests through acquistion has been well signalled in recent months. In mid-September the group made its first ever rights issue, for £106.m, aimed specifically at several acquistions, including "more than one significant international business."

The group's first move, later that month, was to launch an ultimately unsuccessful bid for Nicholas Kiwi, the Australian medicines to shoe-polish group. It emerged yesterday that at that time Reckitt had been in touch with Ciba-Geigy already for almost a year.

But, says Sir Michael: "They only made up their minds to sell in August. By that time we were just about to bid for Nicholas Kiwi and had no real choice but to go ahead.

"But it had always seemed to us that Airwick wasn't a worthwhile business in Ciba-Geigy's hands. We're now convinced that in the longer term Airwick will be a better buy than Nicholas Kiwi would have been."

Reckitt's logic seems to be thoroughly backed up by Ciba-Geigy itself. Mr Eric Zangger, the Basle-based divisional director, says the Airwick acquisition was originally intended to permit the building of a consumer products line with critical mass.

Further growth relied partly on acquisitions, including the German firm Hoffmanns Staerke and, as of this year, Horticultural and Botanical Association, the Llangollen garden-care company.

In 1981, though, the division had a major profits setback. Ciba-Geigy began a long-term strategic review of its future. Plainly it was a choice between selling Airwick or looking at the acquisition of another consumer products company of at lea equivalent size.

Eventually Ciba-Geigy co cluded that the large sum money required would be bett employed in other divisions the group with better grow potential.

Mr Zangger says: "We co cluded that Airwick lacked t critical mass we wanted. It w not able t ocompete successfu with other major firms, partic larly given the growing co centration in the manufacturi and retail sectors."

For Reckitt, though, it cou be a different story. Mr L White, of brokers W. Greenwe says: "If you can get to critic size in consumer markets yo can do lots of things yo couldn't before.

"Integration saves on bran ing expenditure, and you ca feed a lot more sales throug the same infrastructure b internationalising your produ portfolio.

"One of the success stori among medium-sized consum companies is Beecham, whic has been doing just that fo years."

Today puts icing on the cake of a buoyant year for retailers

David Churchill looks into the reasons for the steady stream of high street customers

TODAY—FAILING a last-minute blanket of snow over the country — will be the best shopping day of the year for Britain's retailers. It will put the seal not only on a record level of Christmas trading but also on a year when consumer spending had stayed remarkably buoyant.

For most of this year the City and stores chiefs have been waiting for the consumer boom of the past 18 months to run out of volume last month, according to Government figures, shows that spending in the shops was at an all-time high.

"The hike in interest and mortgage rates this year did nothing to dent consumer confidence," said Mr John Richards, a senior stores analyst with stockbrokers Capel-Cure Myers. His view is shared by other City analysts.

Neither has the continuing high level of unemployment nor the miners' strike had any more than a regional effect on consumer spending. "People in work don't seem to worry about strikes or unemployment any more," said Mr David Johnson, chief executive of the Rumbelows electrical goods chain. "All my store managers report that the level of trade in recent weeks has been unbelievably high. It's going to be a bumper Christmas."

Retailers *did* have some doubts last month about the strength of consumer demand this Christmas because the usual pick-up in trade, which normally starts in mid-November, did not materialise. Instead, the pre-Christmas spending spree did not really take off until the first week of this month.

The reason for this tardiness on the part of consumers was partly the unseasonably mild weather and partly the fact that Christmas Day falls on a Tuesday. Big retailers such as Tesco and Marks and Spencer report that the patterns of the rate sales rush is exactly the same as in 1979—when Christmas last fell on a Tuesday.

But if Christmas was late in coming this year for many retailers, consumers have made up for lost time. Marks and Spencer, for example, decided to keep more than 200 of its stores open until 9 o'clock on most nights because the volume of trade during the day meant that it was losing business.

Extra trading hours, well within the terms of the shops legislation, have paid in recent weeks for many retailers. Local chambers of commerce and local authorities in several cases have helped the late opening of *shopping centres* by co-ordinating opening hours and providing cheap car parking and transport facilities.

'People in work don't seem to worry about strikes or unemployment any more'

Some retailers had hoped in recent weeks that the Government and local authorities would turn a blind eye to Sunday opening. But the *clamour caused by* the Sunday opening of the Debenhams and Habitat stores—and their subsequent closure on that day—has blocked Sunday trading this Christmas to any marked extent.

In the general euphoria of Christmas—with the clearance sales still to come over the next few weeks—most retailers have had little time to think ahead to next year. The City, however, certainly seems to be getting more bullish about the prospects for consumer spending and for retailers.

"We certainly think 1985 should be as good or better than this year," said Mr Nick Bubb, a stores analyst with Scrimgeour Kemp-Gee stockbrokers.

"The opportunity for retailers now is that, far from slowing down, consumer spending growth will accelerate through 1985 and 1986," John Richards, of Capel-Cure Myers, said.

Some retailers agree with that optimistic view. "We have a lot of confidence about spending next year," said Mr Roy Stephen, managing director of the Shelfridges department store in Oxford Street, London. "We are not being cautious in our investment or budgeting."

Rumbelows' David Johnson agreed, and suggested that the high level of hire purchase business going through his stores supported that view. "People would not be committing themselves to monthly hire purchase repayments for the next couple of years if they lacked confidence," he said. "Consumers are still very committed to credit."

The main reason underlying this optimism, however, is the fact that earnings for most of those in work are easily outstripping inflation. The underlying level of average earnings *in the whole economy rose by* 7¾ per cent in the year to October, and in manufacturing alone the increase was 8½ per cent. These figures compare with an inflation rate which has been stable at about 5 per cent since the beginning of 1983.

"Whatever the longer term *implications of rising real earnings* for the inflation rate, there is no doubt that in the short to medium term people will be better off and are going to spend *their money in the shops,"* said Mr Johnson.

Analysts and retailers are also optimistic that the tax cuts promised in the March budget will help to stimulate consumer spending, as will any further fall in interest and mortgage rates.

Two other underlying factors will help to keep sales buoyant, it is argued. One is the extension of credit facilities to more consumers, especially women in the 25 to 45 age group with most discretionary spending power. The other is the continued strength of the so-called "black economy" — the undeclared and untaxed earnings of a substantial number of those in and out of work.

'Far from slowing down, consumer spending growth will accelerate *through 1985 and 1986*'

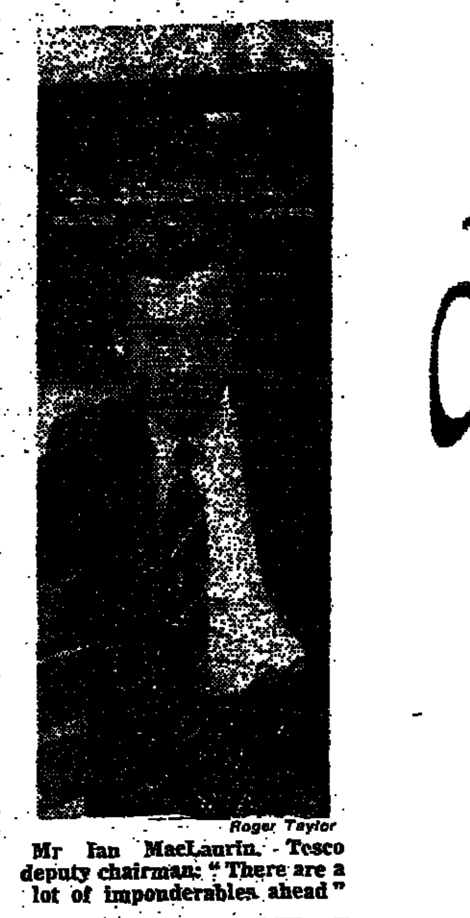
Most retailers report that cash transactions are at a much *higher level in the mid-80s than* a decade ago, in spite of the increase in cheque and credit card facilities.

Moreover, as John Richards said: "There is no doubt that retail shops are becoming more exciting places for consumers. They are being tempted back into spending in stores."

Not all retailers are so optimistic about prospects for next year. Mr Ian MacLaurin, deputy chairman of Tesco, is a little more cautious. "There are a lot of imponderables ahead in 1985," he said. "My feeling from visiting stores in different parts of the country is that there is a lot of uncertainty around."

Mr MacLaurin's main concern are the consequences of unemployment and the miners' strike. "People are still worried by these factors. We are being a little cautious about prospects for the coming year," he said.

A further note of caution was *given by* Mr John Salisse, chairman of the joint FT/CBI distributive trades survey panel this week. "Although retailers are still experiencing sales increases, the rate of increase has fallen off slightly since the autumn," he said.



Roger Taylor

Mr Ian MacLaurin, Tesco deputy chairman: "There are a lot of imponderables ahead"

LABOUR NEWS

Irish court releases part of frozen NUM funds

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE NATIONAL Union of Mineworkers persuaded the Irish High Court in a surprise move yesterday to release to it part of hte £2.73m union funds frozen in a Dublin bank account.

Last night there was confusion about the amount the court had released to enable the union to finance its opposition *to a pending claim for possession* of the £2.73m by the sequestrators and receiver appointed by the British High Court to seize and control the NUM's assets.

The figure was not disclosed in court, but a spokesman for the receiver, Mr Michael Arnold, of accountants Arthur Young McClelland and Moores, said the union had asked for £120,000 and been granted £60,000.

That figure had later been reduced by *Mr Justice Donal* Barrington to £10,000, after an appeal by lawyers for Mr Arnold.

However, Dublin solicitors for the sequestrators disputedthose figures. They said a sum had been released on the union's solicitor's undertaking to use it for the NUM's defence. Payment of two-thirds of the sum had been suspended for seven day to give Mr Arnold time to lodge an appeal.

The NUM's Dublin lawyers could not be contacted, and their London lawyers said they did not know how much the union had been allowed.

The Irish move was reported to the High Court in London yesterday. Mr Howard Page, counsel for the sequestrators, told Mr Justice Nicholls that the Dublin court had agreed in principle on Thursday to an application by the NUM's executive that part of the frozen funds should be made available for the litigation. The question of how much had been deferred until yesterday.

Mr Page described the union's move as "astonishing." He said the executive was continuing to instruct lawyers in the Irish case independently of those instructed by Mr Arnold.

Mr Page also reported that the National Union of Railwaymen had lent the NUM £100,000, and that the Trades Union Congress had collected £269,000 for the relief of hardship among miners and their families, and in addition had £50 in an NUM support fund.

The sequestrators have started legal proceedings against the NUR and TUC seeking information about payments to the NUM.

While the sequestrators were reporting to Mr Justice Nicholls, Mr Arnold spent more than an hour in private before Mr Justice Mervyn Davies, seeking directions on the conduct of the receivership. He declined to *say what they were, or what* progress he had made in attempts to repatriate £4.63m of NUM funds in a Luxembourg bank.

Mr Page said the sequestrators had asked all registered trade unions to disclose any payments they had made to the NUM since the sequestrators were appointed on October 26. The TUC had been asked to give information dating back to December 31 last year.

Mr Jimmy Knapp, NUR general secretary, had disclosed that £100,000 had been loaned in cash to Mr Austen Fairest, Mr J. Dolman and Mr J. Walter on behalf of the NUM. Mr Fairest is president of the union's Derbyshire area.

The judge adjourned until January 16 the case against the NUR, in which the sequestrators are seeking additional information.

Mr Page said December 31 had been chosen for the date for information from the TUC because that was when the latest NUM accounts had been filed.

The TUC had disclosed that it had set up two trust funds: the TUC/NUM Support Fund, the objects of which were "to assist in the maintenance of the finance and fabric of the organisation of the NUM," and the TUC Miners Hardship Fund, to relieve hardship among miners and their families.

Mr David Eady, QC, for the TUC, said it was uneasy about having to provide information *back to December 31, and* sought the court's guidance.

Mr Justice Nicholls said the sequestrators' request was reasonable.

He adjourned an application by the sequestrators for another order against the NUM, Mr Arthur Scargill, Mr Mick McGahey and Mr Peter Heathfield.

The order, relating to the Irish funds, would be similar to one made last month about the Luxembourg assets: requiring the NUM leaders not to touch the £2.73m in Dublin and to consent to the Dublin bank giving the sequestrators information about the Dublin account.

Academics 'inaccurate' says Coal Board

By Philip Bassett, Labour Correspondent

THE National Coal Board is responding sharply to scathing criticisms of its financial procedures by five accountancy academics.

The criticisms, contained in a study to be published next month, angered and embarrassed the Coal Board. The study, led by Mr David Cooper, Price Waterhouse professor of Accounting and Finance at the University of Manchester Institute of Science and Technology, led to Commons clashes when it was disclosed a month ago.

Mr Brian Harrison, an NCB borad member, has written the first detailed board response to the study. It precedes a report from a study team, just established to examine the issues raised by the Cooper report, and which will include Sir Douglas Morpeth, former president of the Institute of Chartered Accountants, Mr Paddy Custis, a company director, and Professor David Tweedie, director of research at Thomas McLintock, the Coal Board's accountants.

Mr Harrison accuses the Cooper report of "major misunderstandings and inaccuracies," and says that he is trying to correct only "some of the authors' more serious misconceptions."

He says: "It is surprising that, after spending some considerable time over the past two *years researching, with our active support,* in one of our mining areas, the authors have apparently chosen in their article not to understand how the board makes fundamental business decisions."

TTheT TBoard rejects the Coper report's central point *that an accounting statement* for pits, named F23, is the main instrument by which pit closure decisions are taken. The academics' report says that the F23 statement is "fundamentally flawed."

Mr Harrison says the five authors make only passing reference to the Coal Board's business planning procedures: five-year business plans, colliery action programmes and budgets for the year ahead, let alone the much-publicised colliery review procedure. "It is quite wrong, therefore, to imply that business planning is done on the basis of a single historical accounting record," the F23.

The Cooper report claims to show that instead of making a loss per tonne of coal of £6.20, Cortonwood—the announced *closure of which led to the* present strike—could be shown to be making a profit of £5.50 per tonne.

The Coal Board says that this is arrant nonsense and that the Cooper report has used national levels of costs for surface damage, overheads and depreciation for 1983-84 and set them against colliery costs for an entirely different year, 1981-82.

Festivities bring a short respite from divisions and hardship

Nick Garnett looks at the plight of a Lancashire mining community at Christmas

"I'M NOT running a strike here. I'm running this as a business."

Sitting in the miners' welfare institute at Bold Colliery, one of the six pits in the small and deeply divided Lancashire coalfield, Mr Malcolm Gregory, the branch secretary, points to the business in hand.

There are the 5,000 vouchers for miners' children obtained from the Toy and Hobby shop group at a negotiated discount of 12.5 per cent. There are the cups and plates, lamps and brassware collected for selling, for raffles and for the fund-raising stalls in Liverpool and Manchester.

Then there are the visits to Thomas Cook whose services are used by the Bold branch to *convert the DM 20,000 (£5,510)* and other foreign currency collected by European unions and the support group set up in Stuttgart, the twin town of St Helens which encompasses Bold.

This business indicates the speed at which local strike activities have become increasingly isolated from the main thrust of the dispute during the summer and autumn.

The picketing map, with the 30 circles pinpointing the main picketing targets, rests redundant on the wall, a document for the archives for the time being.

The activists at Bold, centre of the Lancashire strike committee, have an ever decreasing amount of contact with the Yorkshire miners who provided much of the manpower for earlier mass picketing of the coalfield. Contact is maintained almost solely by telephone.

The two telephones in the upstairs office, once buzzing with the day's picketing rosters, are now used for more mundane conversations.

Christmas has become the prime catalyst for activity, underlining the headaches the strikers in the New Year once this incentive disappears. It was jelly and ice cream party time for the under fives this week. There was a discussion about the 270 tickets donated for Aladdin at the Palace Theatre, Manchester.

In the officers' room, a stack of Christmas presents await distribution; a remote-controlled plastic Porsche, Petite typewriter, an Ally-Cats *board game (Fur flies, dogs lie doggo* and cats are cunning to avoid CATastrophes).

The catastrophe has already happened, says Mr Jim Lord, a working branch secretary at Agecroft Colliery at the other end of the coalfield, where all but 65 NUM men are working.

"It's Scargill that has shattered this union. There's no chance of a victory, but he'll come up smiling, blaming it on the workers."

The six Lancashire collieries are strung out on either side of a 16 mile stretch of the East Lancs road between St Helens in Merseyside and Swinton, Greater Manchester.

Well over half Lancashire's 6,700 NUM members are working in their steep seams in the faulted field which slips away to the Cheshire Basin.

At Agecroft, Parsonage, Bickershaw and Golborne, coal has been worked throughout almost the entire dispute. At Sutton Manor and Bold, the two main strike centres, the drift back to work has allowed a little activity.

Such a divided coalfield provides stark contrasts. At the large Agecroft pit, the car park is virtually full of miners' cars; owned by men working the coal to feed the power station across the road.

Only 12 miles away in Golborne, the dilapidated Community House, just along from the tiny Oyster's Night Club is a soup kitchen for needy strikers.

"Some of these lads don't have a red cent," says Mr Ron Gaskell, the Golborne branch secretary. "After 10 months they are desperate, very desperate. How much can you ask a person? But a lot of these lads will be staying out on strike."

In the background, tiny subdued children peer round the door and, if they are lucky, go away clutching a toy.

The strike has also underscored contrasts in the coalfield's industrial towns.

St Helens, battered by redundancies at Pilkington, is on a high at the moment, buoyed by the success of its Rugby League team for which two Bold striking miners play and which *occupies top slot in the Slalom* Lager League. The Australian centre, Mal Meninga, has become a local folk hero and teenagers wear T-shirts with Might Mal emblazoned across the chest.

But on the town's Parr estate, a dormitory for the mining community, divisions, intimidation and hardship seem all-consuming, relieved only by the season's celebrations. These will soon have come and gone.

Hope of end to Ford dispute

By Our Labour Correspondent

THE FIVE-WEEK strike by 270 sewing machinists, which has halted all car production at Ford, took a step nearer settle*ment last night when leaders of* the transport workers' union agreed to recommend a three-member panel to examine the machinists' pay claim.

Ford made no official comment last night, but the company is understood to be optimistic that the machinists will accept the union's recommendation at meetings which are being arranged, probably for December 28.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 243 COMPANIES

THE GROWTH in company profits which was so strong last year continued apace in the first quarter of 1984.

That is the main conclusion to be drawn from the following table which summarises the results of 243 companies with financial years ending between January 1 and March 31 this year.

The figures, compiled according to the FT Actuaries' classifications, are in £m with the previous year's results in brackets.

The pre-tax profits of industrial and commercial companies grew by an average 20.6 per cent. The 60 capital goods companies posted a 16.8 per cent rise buoyant by increases of 83.2 per cent in the motors sector, 46.2 per cent in mechanical engineering and 179 per cent in electricals.

However, profits from the reporting companies in contracting and construction, and in metals and metal forming, declined.

The 79 companies in the consumer group showed an average 20.9 per cent profits increase, boosted by a 70.1 per cent rise from textiles, and 65.2 per cent from other consumer products.

Profits in the financial group of 33 companies rose by 15.4 per cent, including an 86.8 per cent increase from the three companies in the "other financial" sector.

Theset hree companies also made the highest increase in dividends—81.3 per cent—followed by the 37 investment trusts which raised their average payments by 73.1 per cent.

INDUSTRY	No. of Cos.	Turnover (1)	Profits before Int. & Tax (2)	Pre-tax Profits (3)	% chnge	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net % Return on Cap (9)	Net Current assets (10)
BUILDING MATERIALS	8	3,847.4 (3,368.0)	468.3 (382.6)	394.6 (285.9)	+38.1	136.7 (113.5)	335.8 (162.1)	+45.5	71.9 (58.9)	+22.1	293.4 (227.3)	2,981.3 (2,424.3)	15.5 (11.7)	649.9 (520.8)
CONTRACTING, CONSTRUCTION	6	850.1 (761.9)	51.2 (62.3)	42.5 (51.1)	−16.8	15.2 (17.8)	26.7 (31.4)	−15.0	11.2 (9.4)	+19.2	49.8 (52.5)	432.4 (372.1)	11.7 (16.7)	106.6 (80.6)
ELECTRICALS	4	593.1 (574.9)	56.8 (33.3)	43.8 (15.7)	+179.0	17.9 (14.2)	23.8 (−0.7)	—	4.7 (3.1)	+51.6	37.0 (13.0)	314.0 (303.9)	18.1 (11.0)	127.7 (119.3)
ELECTRONICS	12	8,493.5 (8,035.0)	1,126.7 (1,075.4)	1,062.4 (1,004.7)	+5.7	405.8 (396.0)	641.0 (594.1)	+7.9	151.9 (131.8)	+15.3	742.9 (681.2)	4,915.2 (4,274.9)	22.9 (25.2)	3,099.8 (2,730.8)
MECHANICAL ENGINEERING	15	3,699.4 (3,856.5)	191.0 (161.3)	132.9 (90.9)	+46.2	55.5 (45.0)	79.1 (44.9)	+76.2	36.1 (32.9)	+9.7	118.9 (84.6)	1,529.4 (1,590.6)	12.5 (10.1)	691.8 (699.0)
METALS AND METAL FORMING	3	1,484.9 (1,170.6)	75.0 (67.7)	41.3 (42.3)	−2.4	11.3 (2.4)	29.8 (39.7)	−24.9	14.6 (14.3)	+2.1	31.9 (40.6)	654.6 (632.9)	11.5 (10.7)	169.8 (132.9)
MOTORS	5	1,119.9 (872.4)	63.5 (41.5)	52.2 (28.5)	+85.2	14.0 (7.8)	37.9 (20.5)	+84.9	10.8 (13.7)	−21.2	42.8 (72.4)	323.9 (239.0)	19.5 (17.4)	141.8 (20.0)
OTHER INDUSTRIAL MATERIALS	7	994.6 (937.6)	109.7 (90.1)	87.0 (71.4)	+21.9	31.9 (27.1)	53.4 (41.4)	+29.0	21.1 (18.7)	+12.8	44.3 (49.7)	573.4 (401.8)	19.1 (22.4)	282.6 (197.1)
TOTAL CAPITAL GOODS	60	21,093.1 (19,596.9)	2,141.9 (1,819.1)	1,856.9 (1,590.5)	+16.8	688.3 (623.8)	1,127.5 (933.4)	+20.8	322.3 (282.8)	+14.0	1,361.2 (1,221.1)	11,711.1 (10,236.9)	18.3 (17.7)	5,280.0 (4,290.5)
BREWERS AND DISTILLERS	5	5,240.6 (4,838.0)	561.5 (538.5)	475.1 (447.2)	+6.2	148.9 (150.9)	320.5 (290.0)	+10.5	119.5 (108.5)	+10.1	517.3 (285.2)	4,297.2 (3,840.0)	13.1 (14.0)	1,975.8 (1,958.5)
FOOD MANUFACTURING	8	6,523.2 (5,741.0)	327.4 (320.6)	276.7 (264.0)	+4.8	79.1 (70.0)	189.4 (174.3)	+8.7	57.2 (50.5)	+13.3	259.9 (234.8)	2,078.2 (2,041.1)	15.8 (15.7)	445.0 (277.7)
FOOD RETAILING	4	6,888.0 (6,194.8)	265.0 (214.2)	244.4 (192.2)	+27.2	73.3 (51.1)	170.3 (140.8)	+21.0	50.3 (37.7)	+33.4	202.6 (167.8)	1,846.5 (1,117.0)	21.3 (19.3)	−304.7 (−230.5)
HEALTH AND HOUSEHOLD PRODUCTS	3	2,191.0 (1,191.7)	341.2 (284.7)	296.6 (247.8)	+19.7	107.4 (82.8)	187.5 (163.5)	+14.7	89.5 (64.6)	+38.5	165.6 (138.0)	1,296.7 (1,074.0)	26.3 (26.5)	665.0 (485.2)
LEISURE	7	4,202.1 (3,911.0)	326.5 (273.6)	236.8 (190.5)	+24.3	97.4 (75.3)	128.8 (106.5)	+20.9	56.6 (50.8)	+11.4	421.5 (388.1)	1,960.5 (1,801.8)	16.7 (15.2)	45.6 (100.6)
NEWSPAPERS, PUBLISHING	2	168.8 (130.9)	15.1 (10.8)	13.3 (9.4)	+41.6	6.0 (2.5)	7.3 (7.1)	+2.8	3.0 (2.2)	+36.3	11.3 (10.3)	74.5 (62.4)	20.3 (17.3)	91.2 (25.3)
PACKAGING AND PAPER	4	1,516.1 (1,622.5)	101.8 (105.5)	64.9 (55.3)	+17.4	11.8 (14.4)	39.1 (24.6)	+58.9	13.1 (9.3)	+40.9	86.8 (77.6)	631.2 (782.1)	16.1 (13.5)	107.7 (185.8)
STORES	32	13,649.3 (12,235.3)	1,149.0 (937.2)	1,059.3 (838.4)	+26.4	409.4 (348.5)	642.9 (492.0)	+30.7	321.4 (218.1)	+47.4	537.5 (476.1)	6,926.1 (6,255.3)	16.6 (15.0)	1,963.7 (1,760.2)
TEXTILES	8	2,896.2 (2,703.3)	216.1 (158.0)	173.5 (102.0)	+70.1	40.6 (26.7)	118.2 (62.4)	+89.4	29.3 (19.8)	+47.5	161.8 (112.6)	1,172.7 (953.9)	18.4 (16.6)	723.7 (499.5)
TOBACCOS	1	1,510.7 (1,360.3)	190.5 (180.7)	158.8 (140.6)	+13.0	47.4 (47.8)	80.4 (70.9)	+13.4	12.4 (8.3)	+49.4	110.0 (103.0)	930.1 (882.6)	20.5 (20.5)	415.6 (408.4)
OTHER CONSUMER	5	375.5 (335.7)	31.3 (21.3)	26.6 (16.1)	+65.2	7.1 (4.8)	19.0 (11.0)	+72.7	5.6 (4.4)	+27.3	23.7 (16.2)	173.2 (157.4)	18.1 (13.5)	67.2 (57.7)
TOTAL CONSUMER GRP	79	45,160.5 (36,144.5)	3,525.4 (3,045.1)	3,026.0 (2,503.4)	+20.9	1,028.4 (826.6)	1,903.4 (1,543.1)	+23.4	757.8 (574.2)	+32.0	2,398.0 (1,989.7)	20,786.9 (18,967.6)	17.0 (16.1)	6,195.8 (5,516.5)
CHEMICALS	5	815.1 (769.9)	88.8 (54.1)	83.3 (48.5)	+71.8	34.3 (25.3)	50.7 (34.1)	+48.7	15.1 (11.4)	+32.5	41.3 (37.1)	375.7 (344.6)	23.6 (15.7)	182.2 (145.5)
OFFICE EQUIPMENT	—	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
SHIPPING AND TRANSPORT	1	60.7 (53.6)	7.7 (6.8)	7.5 (6.6)	+13.6	3.1 (2.0)	4.4 (4.5)	−2.2	1.8 (1.3)	+38.5	6.5 (6.5)	43.6 (28.4)	17.7 (23.9)	10.7 (0.6)
MISCELLANEOUS	22	5,069.8 (3,894.3)	551.9 (428.8)	455.7 (353.9)	+28.8	147.3 (111.8)	274.8 (214.6)	+28.1	102.8 (81.3)	+26.5	449.0 (318.1)	3,075.3 (1,961.9)	18.0 (21.9)	1,191.5 (501.6)
TOTAL INDUSTRIAL GRP	167	72,199.2 (60,459.2)	6,315.7 (5,348.9)	5,429.4 (4,502.9)	+20.6	1,901.4 (1,591.5)	3,360.8 (2,729.7)	+23.1	1,199.8 (951.0)	+26.2	4,116.0 (3,572.5)	36,992.6 (31,541.4)	17.6 (15.5)	12,860.3 (10,460.1)
OILS	4	722.6 (632.3)	89.7 (74.5)	59.7 (44.7)	+33.0	11.2 (10.9)	41.1 (31.4)	+30.9	19.8 (16.8)	+17.9	62.5 (40.8)	807.7 (714.1)	11.1 (10.4)	154.8 (88.2)
BANKS	1	— (—)	63.1 (53.4)	54.5 (44.3)	+23.0	8.4 (7.0)	45.5 (36.8)	+23.6	9.2 (7.9)	+16.5	45.6 (37.8)	424.1 (410.6)	14.9 (13.0)	287.9 (277.2)
DISCOUNT HOUSES	1	— (—)	— (—)	— (—)	—	— (—)	1.2 (1.8)	−33.3	0.9 (0.7)	+28.6	— (—)	10.0 (8.5)	— (—)	8.5 (7.4)
INSURANCE (LIFE)	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE (COMPOSITE)	—	— (—)	— (—)	— (—)	(—)	— (—)	— (—)	(—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	2	— (—)	35.6 (31.7)	33.1 (29.9)	+10.7	14.0 (13.9)	18.2 (15.0)	+21.3	7.6 (6.6)	+15.2	17.1 (16.0)	122.4 (122.5)	29.1 (25.9)	13.8 (6.6)
MERCHANT BANKS	6	— (—)	— (—)	— (—)	— (—)	— (—)	60.4 (53.1)	+13.8	20.6 (18.3)	+12.6	— (—)	6,029.6 (6,303.2)	— (—)	−893.3 (−815.2)
PROPERTY	20	— (—)	276.4 (259.4)	193.1 (174.1)	+10.9	75.6 (67.2)	116.2 (100.0)	+16.2	68.1 (58.9)	+15.6	50.5 (43.6)	4,763.9 (4,392.6)	5.8 (5.9)	42.7 (103.0)
OTHER FINANCIAL	3	— (—)	16.7 (12.4)	15.6 (8.3)	+86.8	4.7 (3.5)	10.7 (4.7)	+127.7	2.9 (1.6)	+81.3	8.1 (3.4)	81.5 (35.4)	20.5 (35.0)	31.9 (20.4)
TOTAL FINANCIAL GROUP	33	— (—)	391.8 (356.9)	296.2 (256.6)	+15.4	102.7 (91.6)	252.2 (211.4)	+19.3	109.3 (85.4)	+28.0	121.3 (100.8)	11,431.3 (10,272.9)	3.4 (3.5)	−508.5 (−400.6)
INVESTMENT TRUSTS	37	— (—)	234.5 (213.6)	188.5 (177.3)	+6.3	66.3 (62.9)	119.0 (112.2)	+6.1	106.9 (146.3)	+73.1	4.9 (8.0)	5,055.9 (4,780.9)	3.9 (4.8)	88.3 (35.4)
MINING FINANCE	2	627.5 (425.3)	58.5 (58.7)	42.9 (51.2)	−16.2	14.9 (12.4)	26.2 (37.0)	−29.2	12.6 (12.1)	+4.1	41.1 (41.5)	803.8 (678.9)	9.7 (10.1)	187.8 (186.7)
OVERSEAS TRADERS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)

NOTES ON COMPILATION OF THE TABLE

The classification is that of the Institute and Faculty of Actuaries used in the daily Financial Times—Actuaries Indices.

Col. 1 gives turnover, exclusive of VAT unless otherwise indicated.

Col. 2 gives profits before interest and taxation, that is to say profits after all charges except loan and other interest but before deducting taxation provisions and minority interests.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act 1948.

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporation taxation *including Dominion, Colonial and* Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1—Minority interests.
2—All prior charges—sinking fund payments, etc. and Preference dividends and
3—Provisions for staff and employees *pensions funds where this is a* standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally *over a year's trading. For the* purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* *For merchant banks and discount* houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication *of average profitability.*

† Excluding merchant banks, discount houses and insurance (life and composite).

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

‡ No figures given.

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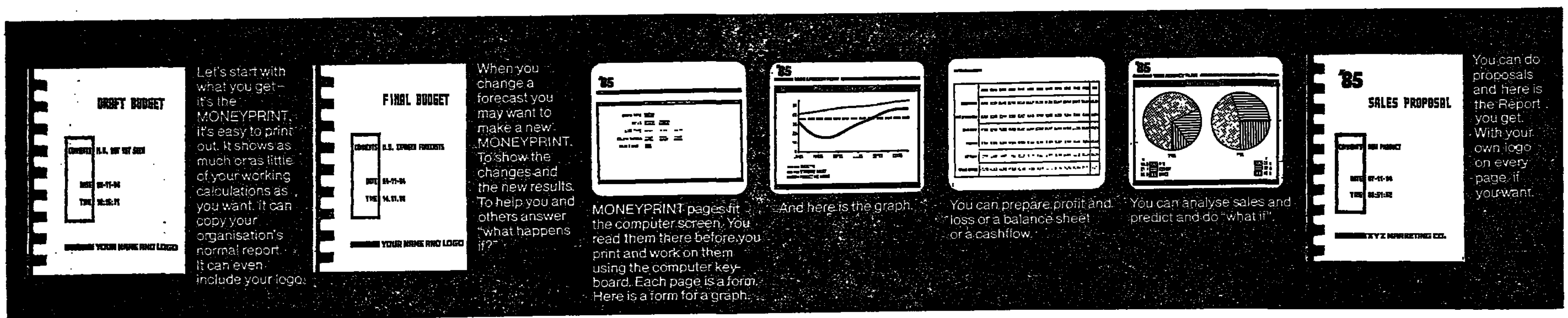

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A spectre joins the party

It took a weak oil price, an indecisive Opec and the resulting decline of the pound to halt the equity market's record breaking finish to the end of the final account of 1984. The market was still edging upwards between Monday and Wednesday but it lost its footing the next morning, though sterling for its part had already found a record low in London of $1.1860 the day before.

The oil sector understandably led the market down on Thursday with its part of the FT-Actuaries Share Indices showing a 1.6 per cent decline on the day. In percentage terms only the drinks sector had anything to rival it but then the market had to digest the figures for Grand Metropolitan and Distillers—and it didn't find either to its taste.

Yet the fall on Thursday—0.7 per cent on the All-Share Index—had a greater psychological impact than it did in the hard reality of pounds and pennies. There appeared to be a lot of red numbers flashing up on the screens but it was more a picture of a penny here and a penny there rather than any great shake-out. Still, no matter how small the setback, it took the edge off the festive mood where fund managers were already congratulating themselves on the final quarter's performance.

Perfumed pill

With last weekend's agreed £664m purchase of Hambro Life, BAT put its name to the two largest takeovers of the year. It opened the batting last January with the £968m purchase of Eagle Star. But the story from BAT this year has *not solely been one of "buying itself a diversified future."* Some of the earlier attempts to spread itself beyond the dreaded weed are now finding their way back out the door.

International Stores is being sold to Dee Corporation for £180m and this week it was the turn of its British and U.S. cosmetics business to leave the fold. Beecham is the buyer of BAT's operations for £125m—£21m in cash with the rest covered by a 29.1m share placing.

Cosmetics has always been fairly peripheral for BAT — too small evidently for the board to want to commit time and cash to developing — but for Beecham the acquisition is significant. Until now Beecham's cosmetics business has tended to be rather narowly-based but the addition of names such as Yardley and Lentheric catapults its cosmetics business into the top half dozen players in the world market. It roughly doubles the size of the division, giving it a better product and geographical spread.

In many ways it looks like a fairly typical consumer products buy on Beecham's part but the acquisition does serve to raise some doubts again over the group's strategy. At the end of the 'seventies Beecham's earnings base was split roughly 60:40 in favour of drugs against consumer products. Next year that bias could be the other way round. It seems it is easier to make acquisitions in the consumer sector than pharmaceuticals despite the management's assertion that it wants the two businesses roughly in balance.

How you feel about Beecham is obviously dependent upon how optimistic a view you take on its newer drugs. The bulls of the stock clearly believe that the worst news is behind Beecham and that the drugs side is groomed for impressive growth. Others suggest that the shares' premium rating needs something more substantial than a new range of toilet waters to support it.

Up in smoke

While BAT may be concentrating a great deal of effort in developing its non-tobacco interests, that has not stopped its cigarette operations in the U.S. delivering a very effective punch to Grand Metropolitan's solar-plexus.

Grand Met. turned in a respectable, if less than exciting, set of full year figures this week. Pre-tax the group is ahead from £295.2m to £334.3m helped by a sharp upturn from its overseas operations. But the blow for investors was contained in the chairman's statement.

Last year its U.S. cigarette subsidiary, Liggett and Myers, accounted for about 40 per cent of U.S. consumer products profits of £122.3m against £98.4m. But that was last year. In July BAT waded into the U.S. generic cigarette market in a way that only a giant of the industry can do—by offering substantial price discounts. To compete Grand Met has had to adopt pricing policies which virtually wipes out Liggett's profits. Not surprisingly the earlier attempt to dispose of Liggett through a management buyout was put on ice.

Mr Stanley Grinstead, the chairman, told his shareholders that the first half of the current year is unlikely to produce anything more than just a nominal profit at Liggett. That leaves a mighty large hole for other parts of the business to try and make good. The market still believes Grand Met can keep profits inching ahead in 1984-85 but a price that has underperformed the market by around 25 per cent since the summer has certainly lost its sparkle.

Tail spin

The City was taking a fairly cautious stance ahead of Westland's full year figure this week but the abysmal showing on Wednesday proved that even the pessimists had got it wrong. After a £14m exceptional provision pre-tax profits are down from £26.09m to £2.75m. And, after a £5.73m extraordinary provision lower down the account, a hefty £11m transfer from development reserves helps to pay a maintained dividend.

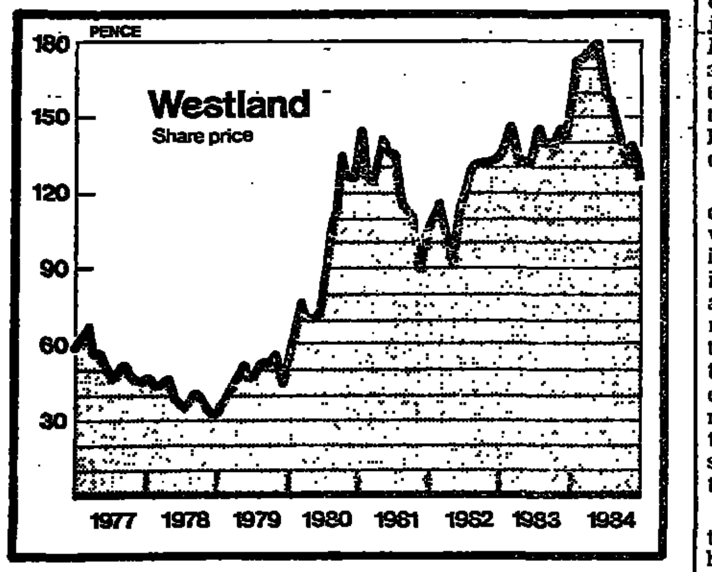
Westland's problems can largely be *pinpointed* to a decision taken a few years back to move strongly into the civil aviation market. In the late 'seventies and early 'eighties its Lynx helicopters were selling well to the armed fforces in the UK and overseas. Demand for Sea Kings was also solid and Westland was financially strong. Now Westland is paying the price for having stepped decisively into the civil market just at it turns down while the military market is offering little comfort at the moment.

In fact the repercussions of its civil craft launch—the Westland 30—show throughout these figures. The £14m exceptional item is a write-down on its stock of 20 helicopters while the interest charge—up by nearly £4m—is also blamed on the civil market. To meet the requirements of non-military buyers Westland has to carry a high level of costly stocks to match short delivery times. And even the £5.73m below the line provision relates largely to the Airspur operation in Los Angeles which rents out Westland 30s.

Westland is, in fairness, a long way down the road to winning the contract to supply 21 Westland 30s to the Indian Oil and Natural Gas Commission. The election has delayed the contract but the British group is pretty confident that it will be its name on the contract when it is awarded. The build-up in stocks is in anticipation of that Indian order worth over £60m.

But it is not enough. Westland needs to sell more helicopters and given the RAF's overspending it would be unwise to think in terms of an early decision on a military version of the Westland 30 from that quarter. And the joining of Short Brothers with Sikorsky Aircraft of the U.S., the world's biggest heli-*copter manufacturer*, to bid for RAF orders does not bode well for Westland — "The" UK manufacturer.

Terry Garrett



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
F.T. Ord. Index	924.3	−11.3	942.6	755.3	Sterling halts record run
F.T. Gold Mines Index	649.1	−34.9	711.7	452.2	Bullion at 2½-year low
BAT Inds.	350	+37	353	175	Hambro Life bid/cosmetics sale
Bestobell	333	+44	373	257	New chief executive
Britannia Arrow	84	+10	93	63	Revived speculatvie demand
BP	465	−20	540	395	Oil price fears
Burmah Oil	216	−19	240	161	Profit-taking
Causton (Sir Joseph)	121	+19	121	68	Bid from Norton Opax
Cons. Murchison	575	−100	955	550	Lower than expected div.
Crystalate	230	−40	294	190	Annual results disappoint
Distillers	293	−17	319	244	Disappointing int. statement
Dixons Group	558	+48	572	215	Institutional support
Hambro Life	535	+37	540	357	Agreed bid from BAT Inds.
ICI	742	+32	746	526	Re-rating following U.S. acq.
Minet Hldgs.	243	+31	255	137	St. Pauls' stake speculation
Molins	148	+18	151	103	BAT Inds.' stake speculation
Redfearn Nat. Glass	65	+20	112	44	Sharply reduced annual loss
Siebe	502	+57	502	345	Good half-year figures
Whessoe	96	+10	120	64	Annual results
Xyllyx	13	−14	62	13	Larger int. deficit/Board changes

A kaleidoscope of oddities

BY WILLIAM DAWKINS

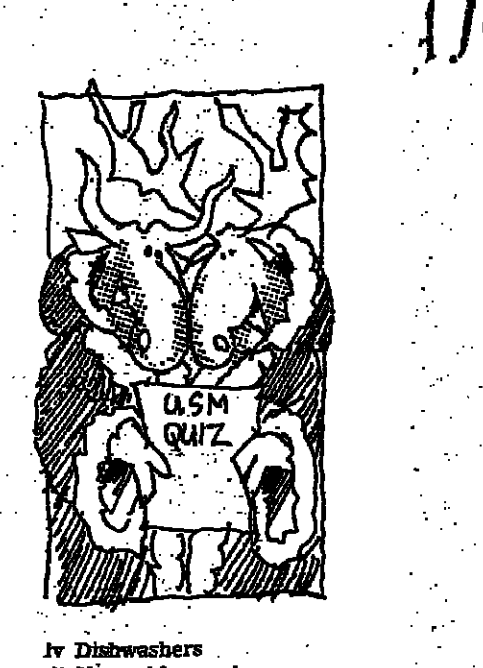
AS THE USM nears the end of its most active year for new issues to date, it might be worth pausing to reflect on its progress so far.

Not only has it attracted an apparently endless stream of young companies into public life, but it has also provided a valuable source of development capital while giving shareholders a breathtaking, if sometimes erratic, ride. However, there are also less obvious, more colourful achievements to consider.

Take a magnifying glass to the USM, and you will discover a kaleidoscope of oddities ranging from the only publicity quoted pawnbroker in the UK to a three dimensional hologram maker.

Anybody with an eye for the unusual, which should include most USM-watchers, will easily spot the answers to the following questions. The author of the first list of correct entries—or the one with the most correct answers—will win a bottle of whisky, while the second prize is a deerstalker's hat (for stags only).

Entries should be sent to the USM Quiz, Financial Times, Bracken House, Cannon Street, London EC4P 4BY. Multiple applications will be ignored, and the quiz closes on January 5. Correct answers will be published on January 12.



1 Guy the Gorilla, Justice, Boadicea and the mermaids in Trafalgar Square have something in common. What is it?
2 Where did the Princess of Wales's wedding dress come from?
3 Which company had the shortest life on the USM?
4 Who has been struggling hard without much success to make money from Little Miss Muffet's second favourite food?
5 Which company floated away from the USM this year with the help of an Australian 007?
6 One of the USM's favourites was once taken for a sex shop and started life next door to an undertaker in Brighton. Which is it?
7 Michael Ashcroft has a finger in lots of pies. This one is the shapeliest of them all and appears on TV once a year.
8 Who fell out of bed in the U.S. and offered shareholders their money back?
9 Who got going with the A Team?
10 What had £18m and was worth £25m a year ago, but is worth less than £9m today?
11 While the USM was celebrating its third birthday, a financier with French connections and a Pakistani-born animal lover were laughing all the way to the bank. Who and why?
12 Which company achieved the biggest ever market value on flotation? Warning — the answer has more than one dimension.
13 Who had to take back his stamp collection?
14 Who is the fastest-moving company director on two wheels?
15 Who became the apple of the USM's eye after dancing on the Stock Exchange floor?
16—Match the names with the products:
a Applied Botanics
b William Sinclair Holdings
c Chemical Methods Associates
d Xyllyx
e Aaronite
f Hadland Holdings
g Dunton Group
i Fire-proof sprays
ii Potplants
iii High-speed cameras
iv Bricks
v Coin-operated colour terminals
iv Dishwashers
vii Vegetable seeds
17 Beatlemania helped carry theUSM's first casualty to the corporate graveyard. Who was it?
18 His figures were designed to score a first when they popped up in all directions. Whose?
19 Who annoyed the Stock Exchange by coming in from outside, and being declared out by an umpire who declared him in again later?
20 A secret admirer of number 19, number 20 has an episcopalian background, sounds like a seasonal wet, but isn't, and will get a new boss when the big bang comes. Who is he?
21 All that glitters is not gold. This definately does not apply to the son of an upmarkte household name who came to the USM after patching up a bitter family fued. Who?
22 Recycling scrap metal is not exactly big business for the USM's smallest company. Who is it?
23 Which two companies removed their auditors by shareholders' vote?

One-day bounce

NEW YORK

TERRY DODSWORTH

WALL STREET has yet again this week gone through one of those days which would have been regarded with wonder only a couple of years ago. A jump of almost 35 points in the *Dow Jones Industrial* Average, and a share trading volume of 69m, would have set off virtually unquenchable excitement. But this week the rally fizzled out almost as soon as it staretd.

A similar one-day bounce occurred back in October, again with very high volume on the New York Stock Exchange—and it was again followed by an almost immediate retrenchment. Part of the reason for this failure to establish sustained momentum is that changes in the trading mechanism on the NYSE mean that the indices are giving out somewhat different messages than in the past.

The Exchange's modernisation programme, for example, has given it the capacity to handle the sort of volume that would have been impossible a few years ago. Thus any change in mood or activity tends to be exaggerated.

At the same time, the increase in institutional block trading leads inevitably to much higher figures for share volume activity, even though the number of separate deals may be much less pronounced. Indeed, last summer's record trading day of 236m shares was achieved without breaking the record for the number of individual deals.

The consequence of these changes is that some pretty dramatic numbers can be chalked up, as on Tuesday, without demonstrating a fundamental change in market psychology. This seems to have happened this week. Tuesday's jump drove the industrial index back towards the upper end of its trading range over the last four months, but there is still enormous scepticism about the market's ability to challenge for new heights in the near future.

Just to underline the flimsy base for the index's jump, the rally was mainy caused by one of the factors that has proved ambiguous for equity shares over the last few months—a fall in interest rates. A decline in bank prime rates to 10.75 per cent, the lowest rate since August 1983, has been accompanied by increasing speculation that another discount rate cut could be on the way.

Yet investors are still undecided as to whether these declines mean that growth will be stimulated again, or that the economy has gone inescapably soft.

Nor have the economic figures out of Washington this week been much help in clarifying the strength of growth in the economy. The statistics for housing starts in November, for example, showed a fall to 1.53m units a year, their lowest annualised rate since December 1982, when the U.S. was just beginning its climb out of the last recession.

On the other hand, construction permits for the month were up, while the Commerce Department's capital investment forecast for 1985 showed a healthy 6.8 per cent rate of increase—a decline from the 13.3 per cent recorded last year, but enough, economists argue to help the economy stay healthy. At the same time, the fourth quarter flash GNP figure of 2.8 per cent gave no real hint about future growth either way: it was higher than the third quarter's 1.6 per cent, but not strong enough to suggest that the economy will necessarily recover its momentum next year.

In the absence of clear economic signals, the market seems to be aiming to maintain overall equity yields in the range of 4.70 per cent to 4.90 per cent. This is about half a percentage point higher than a year ago, and reflects a sharp narrowing of the yield gap against fixed interest securities as bond rates have fallen across the board. Put another way, investors are adjusting to a decline in the inflation premium on bonds as the inflationary threat subsides.

Given the hesitations about the underlying economic picture, a great deal of the action this week has been in sectors that stand a chance of riding out any recession. Interest rate sensitive stocks is one of these areas in an era of falling rates, and utilities, in particular, have therefore had a spectacular run. On Tuesday, the utilities average soared by 4.16 points to notch up its biggest advance since May 1962, while reaching its highest point—149.93—for about 19 years. Bank shares, which also relate closely to interest rate developments, have equally attracted a measure of support this week.

Defence stocks were another area which the market hit upon as relatively recession-proof. There has been some doubt recently about the defence sector as the White House moved deeper into its budgetary review, but stocks responded strongly to a reported agreement between President Ronald Reagan and Mr Caspar Weinberger, the Defence Secretary, on a less-than-expected cut in spending: General Dynamics, for example, leapt by $2⅞ to $67 on Tuesday, while McDonnell Douglas jumped by $4⅛ to $65⅞.

Meanwhile, oil shares continued to be a big depresant on the blue chip sector. Confused *reports about oil prices from* the OPEC meeting, along with indications that prices continue to be under pressure, pushed down some of the big oil groups —a trend reflected elsewhere in the fall in sterling. Even trading in Phillips Petroleum, which is being pursude by Mr T. Boone Pickens of Mesa, was relatively quiet this week as the chase became snarled up in the law courts.

Conversely, the transportation stocks bounced on the news from OPEC, with the transportation index jumping by 14.39 points on Tuesday to 554.25. Airline stocks, the airframe manufacturers and the vehicle producers as well, are all currently benefiting from the glowing prospect of cheaper oil prices.

MONDAY	1,176.79	+0.88
TUESDAY	1,211.57	+34.79
WEDNESDAY	1,208.04	−3.53
THURSDAY	1,203.29	−4.75

And thus spake the Old Investor

BY KENNETH MARSTON

THERE was a wild, if not desperate, light in the eyes of the Eager Man as the five friends reached the brandy and port stage of their annual Christmas dinner. Traditionally this was the time for their discussion on mining investment.

Last year it had ended in farce with all, except the Old Investor, scrabbling under the table for a still burning cigar amid the debris of what should have remained on the tablecloth above them. The Cautious Man had an uneasy feeling that events could again take a similar turn.

The Bookmaker, who enjoyed such unseemly goins on, had no doubt ofit. "Firing on all cylinders tonight, ain't he?" he remarked to the Young Investor who noted with some concern that the Eager Man was about to pour brandly into a glass already half full of port.

Truth to tell, the Booker did not take share investment very seriously. He came along to the dinners for the pleasure of meeting old friends—entirely unconnected with the turf—enjoying a good meal and, whenever the chance presented itself, having a good laugh.

For the Eager Man it was different. He cared passionately about investment and looked forward to the annual meetings for this aspect of things. But 1984 had been a severely depressing year and it had left him bewildered. The claret had appeared to offer comfort.

Understanding, as ever, the Old Investor remarked calmly: "Timing is the secret of all investment, but a long term holder must be prepared to take the rough with the smooth. Don't be too disheartened."

"Precious little smooth for us in 1984," interrupted the Cautious Man, ruefully considering the parlous state of his holding in the nickel-producing Inco company.

"You can say that again," exclaimed the desperate Eager Man who earlier in the year had wisely taken a good profit on his MIM Holdings only to lose it by switching into Newmont Mining.

"My Rio Tinto-Zinc loan stock hsa put on a few more pounds," remarked the Young Investor, smugly straightening his tie and drawing a sour glance from the Cautious Man.

"I'm glad about that for there cannot be many mining shares standin ghigher now than a year ago," continued the Old Investor. "The base metal companies have seen the pick-up in demand that we anticipated a year ago but most of the metal prices have not responded because it has not yet mopped up the surplus stocks."

"There's a lot of it about," said the Bookmaker, asbently, as he applied match to cigar.

"We could have done well in South African gold shares with the strong U.S. dollar pushing up the rand price of gold to record levels," observed the Young Investor, knowingly.

A gentle glazed look replaced the wildness in the eyes of the Eager Man as he observed: "You'd have to have done some nipping in and out because the FT gold mines index is now well down on the year and some of the marginal minesh like Durban Deep are showing nashty losses."

"Hic!" he added solemnly to the Bookmaker.

The latter laughed heartily, dislodging a length of cigar ash on to his well-rounded waistcoat. "Well I'm going to stick with my Seltrust Holdings now that BP is taking over the debts and leaving the other shareholders with the gold prospects."

"They say there's no future in gold now," remarked the Cautious Man gloomily.

"They've been saying that for as long as I can remember," replied the Old Investor.

"If base metal demand continues at its present satisfactory rate, it must eventually have some effect on prices and perhaps we could see a pick-up in base metal shares next year," mused the Young Investor.

The Eager Man began to giggle foolishly as he pointed thet salt cellar, like a court-martial sword, at the Old Investor.

"Now what's he on about?" asked the Young Investor.

"I know what he's been on," chuckled thte Bookmaker, helping himself to some more brandy before the decanter came in range of the Eager Man's unsteady hand.

The Eager Man focused on the two Old Investors on his left and in a voice heavily charged with enlightenment and port said triumphantly: "That's it! Last year you left us guessing whether you'd take your profit on Weshtern Mining an' go into something else. You did. You bought CRA shares."

He then smiled into the middle distance and gracefully slid beneath the table.

The Bookmaker made a grab for him, missed, and fell off his chair. The Young Investor went in whooping pursuit.

"Here we go again," sighed the Cautious Man.

"And so do I," smiled the Old Investor as he made his customary silent departure from the gathering.

SAVINGS OFFERS

Hoare Govett .... Page 26

YOUR SAVINGS AND INVESTMENTS

George Graham reports on the epitaph to an offshore operation

A fund is dead—long live a fund

THIS WEEK, the Lazard Brothers Sterling Reserve Fund came back to Britain to die.

Ten days ago, the fund held its last board meeting as an offshore company, in Amsterdam. Its directors then resigned, and a new board met earlier this week on British soil to celebrate the fund's new nationality.

It will have a short life as a UK company, however. By the end of January the whole fund is due to have been wound up.

This convoluted procedure forms the epitaph to the old generation of offshore roll-up funds, in which interest could be accumulated and treated for UK tax purposes as capital gains. Since January, when the Government cracked down on this form of tax avoidance, all gains in accumulator funds have been taxed as income. Certain funds have been allowed to retain CGT treatment on their gains from currency movements. But they must distribute at least 85 per cent of their interest income every year.

Lazards alone took advantage of a concession under which roll-up funds that came onshore before the end of 1984 could retain their earlier tax treatment for this year.

Christopher Melluish, a managing director of Lazard Brothers and Co., said the Inland Revenue had confirmed that UK residents who keep their money in the fund until it is wound up will be subject to CGT, not income tax, on the gains.

Other managers with offshore roll-up funds took the view, however, that it would be difficult to prove that their funds were resident in the UK for the purpose of the one-year tax concession, if they were wound up so soon. Thus, their investors would have run the risk of receiving a bill for income tax on their gains.

To take the place of the Sterling Reserve Fund, Lazards is launching the Currency Reserve Fund, a Guernsey-based company offering investments in sterling, dollars, yen, Marks and Swiss or French francs.

That company expects much of the £90m left in the old fund to move into the Currency Reserve Fund. Those investors who do so will have half of the ½ per cent management fee rebated for the first year.

Among those who decided against running the risk that funds might be deemed not to have established residence was N. M. Rothschild & Sons. It decided to continue to run its Old Court International Reserves as an offshore accumulator fund, and added Old Court Currency Fund to serve as a distributor fund.

Rothschild has now added managed classes of share to both of the funds — denominated in sterling for the Currency Fund and in sterling, marks or dollars for the International Reserves fund. The bank has always offered a personal managed service for clients with over £100,000, and is now seeking to extend this to smaller investors. There will be a front end charge of 3 per cent on the managed shares, included in the offer price.

Rothschild has taken the unusual step of advertising with a coupon in the press and only a condensed form of the prospectus.

On the basis of the low-risk portfolio it has been running for its larger customers, Rothschild says it would have outperformed all the existing managed currency funds from the beginning of 1981 to date. In the first 11 months of this year, it showed a 13.25 per cent return, ahead of Britannia and level with Vanbrugh, but *behind* Guinness Mahon.

These three are leaders in the managed currency fund field, in both size and longevity, but they are being pressed hard by European Banking Traded Currency Fund, which has pulled in £34.6m since its launch in January this year.

This sets it at the heels of Britannia Managed Currency in size, though it has some way to go to catch up with the two Guinness Mahon funds or the Vanbrugh Currency Fund. Up to 25 per cent of the EBC fund is traded in the daily foreign exchange market. The total return from the launch on January 16 to November 30 has in sterling terms been 21.7 per cent, second only to Guinness Mahon with 21.9 per cent in the same period, according to EBC's figures.

With sterling falling steadily against the dollar, currency funds have been a profitable vehicle for the UK investor. But most funds' performance in dollar terms has been poor, as the accompanying table shows.

As UK banks begin to pay interest on their deposits net from April next year, the offshore currency funds may begin to arouse more interest but few of them will be attractive to investors on the basis of their performance to date.

Accumulator or distributor		Launch date	Fund size	Annualised return since launch	Return since January 1 $	£
D	Britannia Managed	15/9/80	£21.5m	16%	−7%	+11%
A	Citifunds	6/6/83	$2m	26%	+6%	+29%
A	EBC Traded	17/1/84	$25m	25%	+3%*	+22%*
A	Grindlay Henderson	11/7/83	£4.3m	15%	−5%	+12%
A	Guinness Mahon International	23/5/80	£19.1m	25%	+3%	+26%
A	Hill Samuel	11/6/82	£30m	16%	−7%	+13%
D	Holborn	23/1/84	£33m	13%	−6%†	+13%†
A	Old Court International	1/12/84	—	20%‡	—	+13%‡
D	Schroder Managed	9/12/81	£3m	13%	−7%	+11%
D	Vanbrugh	12/5/81	£35m	15%	−6%	+14%

† Since January 23.
* Since January 17.
‡ Private client's portfolio since January 1981.

One way you could lose on Telecom

HAROLD BALDWIN on keeping a tight grip on those vital documents

KEEP A tight grip on your British Telecom investment: If you lose the renounceable letter of allotment a thief can forge your signature on the back and turn it into a marketable piece of paper.

In most cases there is little danger of losing money when a deed or financial certificate goes missing, but getting a new certificate can take time and effort, and there may be some charge.

Lost share certificates are not very vulnerable because the number of shares you hold has already been registered in the books of the company and cannot be removed without a transfer form signed by you. You will continue to receive the dividends to which you are entitled. But when you want to sell the shares or offer them as security for a loan, you must produce the certificate.

Before the company issues a duplicate certificate it will require a signed indemnity supported by your bank. As this indemnity cannot be cancelled unless the certificate is found, both you and the bank could remain liable indefinitely. Banks charge a minimum of £5 for joining in this indemnity.

Your stockbroker can send share certificates direct to your bank. The high street banks' charges are reasonable, with Lloyds, for example, charging £1 to deliver a certificate by post and a small charge for supplying a list of your holdings. There is normally no charge for keeping the certificates. The bank *will also* make payments on an allotment letter when they fall due and obtain the share certificate when it is ready.

If you lose the deeds of your home your solicitor should *eventually be able to obtain a* duplicate, provided the deeds have been registered at the land registry. In the case of unregistered deeds you will have to prove your title to the property which could be difficult. You could run up a substantial solicitor's bill.

Insurance companies will usually issue a duplicate life or endowment policy without too much fuss. For greater safety this type of deed can be kept at the bank, too. Charges for a deed box start at £7 per annum and rise to £50, depending on the size of the box. In addition, some banks charge a fee of £3 per inspection. The charge for keeping an envelope containing, for example, the deeds of your house, is around £5 per annum. Although the banks issue internal guidelines on these charges the local manager can use his or her discretion and may waive the charges altogether.

A few banks and some other organisations have safe deposit boxes, but they are scarce and the rents are high, ranging from £20 to £350 per annum.

If your bank or building society already hold your house deeds as security it may be worthwhile leaving them there after the loan has been repaid. In the case of building societies it may be necessary to leave a nominal amount, say £1, of the mortgage unpaid.

Apart from providing safe custody, this arrangement has other advantages. You save the cost of discharging the mortgage, which is around £25, your building insurance can continue, should you want to raise a loan at any time in the future the security will already be set up and as a member of the society you will receive priority treatment.

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(6): as at close of business on Monday 17th December 1984. Columns (7)–(11): as at 30th November 1984 (Geographical Spread: columns 7–10).

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 30.11.84 (12) base=100
	CAPITAL & INCOME GROWTH										
405	Alliance Trust	Independently managed	562	3.6	791	36	47	8	9	94	328
57●	Anglo Scottish	C S Investments	180	2.4	171	48	44	3	5	80	297
92	Bankers	Touche, Remnant	83	3.6	111	44	39	10	7	104	531
225	Border & Southern	John Govett	156	3.0	206	44	26	23	7	108	286
286	British Investment Trust	Independently managed	327	5.6	453	46	37	16	1	84	255
66	Brunner	Kleinwort Benson	66	4.1	88	47	35	7□	11□	97	283
76	Charter Trust & Agency	Kleinwort Benson	73	4.1	93	58	25	14	3	95	283
120	Continental & Industrial	Schroder Wagg	522	4.9	692	57	42	–	1	101	255
161	Drayton Premier	Montagu Inv. Man.	360	4.6	511	57	26	14	3	91	250
484	Edinburgh Investment	Independently managed	106	3.5	136	50	35	9	6	101	316
102	First Scottish American	Independently managed	239	3.6	320	62	25	12	1	88	312
531	Foreign & Colonial	Foreign & Colonial	129	2.8	172	40	35	18	7	103	325
53	General Consolidated	Philip Hill	232	5.2	283	57	39	–	4	94	297
653	Globe	Electra House Group	251	5.1	339	64	23	8	5	103	253
282	Philip Hill	Philip Hill	227	5.8	291	71	27	–	2	92	301
8	Jos Holdings	Kleinwort Benson	105	4.4	123	76	17	5	2	95	274
33	Keystone	Warburg Inv. Man.	340	4.2	453	55	30	14	1	104	†
33	London & Strathclyde	Gartmore	156	3.3	179	46	46	3	5	106	307
33	Meldrum	Gartmore	148	3.9	193	76	24	–	–	95	336
110	Northern American	Independently managed	245	3.5	337	44	36	20	–	95	303
93	Outwich	Baring Brothers	131	3.1	170	57	20	13	10	103	279
108	Raeburn	Lazard Brothers	300	4.0	399	48	38	9	5	95	274
73	River & Mercantile	Tarbutt & Co.	122	5.3	150	63	27	8	2	89	289
40	River Plate & General	Tarbutt & Co.	199	4.7	248	76	13	–	11	100	255
32	Save & Prosper Ret. of Assets	Save & Prosper Group	74	1.1	92	100	–	–	–	172	†
420	Scottish Mortgage	Baillie, Gifford	358	2.7	462	38	35□	23□	4□	99	345
196	Scottish National	Gartmore (Scotland)	207	2.9	279	49	36	6	9	105	306
165	Scottish Northern	Paull & Williamsons	118	3.9	156	70	23	3	4	113	221
134	Second Alliance	Independently managed	496	3.6	683	37	46	9	8	95	329
131	Securities Trust of Scotland	Martin Currie	110	4.8	149	56	28	14	2	109	291
446	TR Industrial & General	Touche, Remnant	141	3.4	199	42	22	27	9	104	292
345	Witan	Henderson	142	2.7	189	50	30	13	7	106	332
	United Kingdom										
10	City of Oxford	Hambros Bank	184	5.1	236	99	1	–	–	96	278
31	Fleming Claverhouse	Robert Fleming	234	4.7	307	100	–	–	–	100	305
26	New Court	N M Rothschild	357	5.7	485	94	3	1	2	102	266
7	Shires	Stanecastle Assets	220	8.0	201	97	3	–	–	102	199
103	TR City of London	Touche, Remnant	78	5.7	100	89	9	–	2	101	282
77	Temple Bar	Electra House Group	111	5.6	134	97	3	–	–	94	271
	CAPITAL GROWTH										
	General										
202	Anglo-American Securities	Morgan Grenfell	266	2.9	344	48	28	19	5	111	299
52	Ashdown	Schroder Wagg	389	2.6	473	56	28	10	6	97	280
148	Atlantic Assets	Ivory & Sime	89	0.8	120	31□	64	–	5	86	264
109	Edinburgh Amer. Assets	Ivory & Sime	176	0.7	224	15	80	1	4	111	320
60	Electric & General	Henderson	253	1.8	329	52	34	11	3	97	326
22	Greenfriar	Henderson	204	0.9	257	61	18	11	10	104	390
231	Scottish Eastern	Martin Currie	150	3.3	205	51	24	20	5	102	274
	International										
71	Berry	GT Management	169	0.8	195	47	30	10	13	112	394
92	English & New York	Kleinwort Benson	91	3.6	114	35	43	11	11	99	264
72	English & Scottish	Gartmore	68	2.4*	86	39	34	15	12	90	325
10	F & C Eurotrust	Foreign & Colonial	118	1.9	125	8	–	–	92	105	215
191	Fleming Overseas	Robert Fleming	107	3.1	143	9	61	16	14	80	306
82	Fleming Universal	Robert Fleming	274	3.5	374	20	55	14	11	84	279
64	Gartmore Information & Fin.	Gartmore	55	2.9	68	38	52	5	5	125	293
25	Group Investors	C S Investments	248	2.1	308	46	50	1	3	104	355
116	Hambros	Hambros Bank	142	3.8	192	50	41	5	4	110	271
170	Investors Capital Trust	Independently managed	213	2.3	267	33	39	17	11	101	274
18	London & Gartmore	Gartmore	257	0.8	312	22	68	3	7	78	351
9	Mid Wynd International	Baillie, Gifford	154	1.9	168	14	37	21□	28	98	†
162	Monks	Baillie, Gifford	150	2.3	194	29	36	29□	6□	95	318
189	Murray Growth	Murray Johnstone	86	2.3*	116	35	44□	17□	4	93	301
208	Murray International	Murray Johnstone	111	3.9*	152	31	47□	18□	4	81	310
68	Murray Smaller Markets	Murray Johnstone	158	2.1*	207	21	15□	30□	34	99	302
66	North Atlantic Securities	Morgan Grenfell	275	1.7	341	–	50	36	14	94	317
23	Northern Securities	GT Management	155	1.5	196	52	25	9	14	114	330
94	Romney	Lazard Brothers	231	2.7	312	23	45	20	12	97	291
305	Scottish Investment Trust	Independently managed	248	3.0	336	33	37	18	12	102	282
70	Trans-Oceanic	Schroder Wagg	146	3.1	196	38	38	15	9	97	281
73	Tribune	Baring Brothers	105	2.6	138	36	35	23	6	90	339
190	U.S. Debenture Corp.	GT Management	188	5.0	250	52	28	12	8	106	257
	North America										
137	American	Edinburgh Fund Mgrs.	114	3.2*	156	24	76	–	–	100	274
119	Fleming American	Robert Fleming	434	1.4	565	2	98	–	–	92	277
27	Gartmore American Secs.	Gartmore	109	2.6	140	16	71	10	3	103	315
139	Stockholders	John Govett	113	3.0	151	22	75	1	2	100	248
79	TR North America	Touche, Remnant	165	2.9	215	5	95	–	–	112	311
	Far East										
55	CJR Pacific	J. Rothschild	101	–	109	–	–	87□	13	77	†
25	Drayton Far Eastern	Montagu Inv. Man.	122	1.0	146	4	–	55	41	90	307
99	F & C Pacific	Foreign & Colonial	141	3.5	184	16	23	35	26	96	286
173	Fleming Far Eastern	Robert Fleming	284	1.0	345	2	–	78	20	90	354
164	Lake View	John Govett	280	2.3	354	12	4	62	22	100	308
7	New Australia	Edinburgh Fund Mgrs.	99	0.6	116	–	–	–	100	95	†
34	TR Australia	Touche, Remnant	91	3.1	119	5	–	–	95	100	296
116	TR Pacific Basin	Touche, Remnant	269	1.1	334	6	1	78	15	98	360
	Japan										
34	Baillie Gifford Japan	Baillie, Gifford	287	0.2	338	–	–	100	–	58	†
58	Crescent Japan	Edinburgh Fund Mgrs.	159	0.3	171	–	–	100	–	99	545
128	Drayton Japan	Montagu Inv. Man.	370	0.4	470	1□	2	96	1	87	299
91	Fleming Japanese	Robert Fleming	514	0.8*	589	3	–	97	–	93	354
58	GT Japan	GT Management	163	1.2	175	7□	3	86	4	99	458
20	Japan Assets	Ivory & Sime	63	0.1	66	–	–	100	–	92	†
39	New Tokyo	Edinburgh Fund Mgrs.	340	–	386	–	–	100	–	97	†

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 30.11.84 (12) base=100
	Commodities & Energy										
6●	City & Foreign	Montagu Inv. Man.	111	–	156	11□	89	–	–	92	260
10	New Darien Oil	Hodgson Martin	70	0.5	84	13	75	–	12	100	†
14	Precious Metals	J. Rothschild	101	0.8	119	12□	57	1	30□	84	†
93	TR Natural Resources	Touche, Remnant	239	4.5	310	26	45	1	28	100	236
63	Viking Resources	Ivory & Sime	78	2.0	105	36□	63	–	1	118	169
15	Wemyss	Edinburgh Fund Mgrs.	512	5.6	645	37	32	–	31	96	221
27	Winterbottom Energy	Baillie, Gifford	94	1.2	104	30□	70	–	–	79	196
	Technology										
10	Baillie Gifford Technology	Baillie, Gifford	84	–	94	73□	27	–	–	36	†
57	British American & Gen.	Kleinwort Benson	101	3.7	113	54	36	6	4	93	244
77	Fleming Technology	Robert Fleming	150	2.1	194	43	33	23	1	92	306
77	Independent	Ivory & Sime	238	0.3	274	21	73	–	6	98	†
284	TR Technology	Touche, Remnant	88	2.7	120	34	40	23	3	107	311
	INCOME GROWTH										
109	Aberdeen	Aberdeen Fund Managers	161	5.8	192	69	29	1	1	95	265
243	British Assets	Ivory & Sime	187	5.2	249	47	53	–	–	95	291
20	Lowland	Henderson	222	4.2	251	89	8	–	3	104	400
123	Merchants	Kleinwort Benson	88	4.5	116	51	31	9	9□	89	276
113	Murray Income	Murray Johnstone	107	6.0*	127	76	11□	2	11	89	337
	SMALLER COMPANIES										
36	English & International	Montagu Inv. Man.	224	4.3	301	56	28	9	7	108	271
54	F & C Alliance	Foreign & Colonial	87	2.6	112	54	29	13	4	101	325
11	Family	Kleinwort Benson	184	5.1	246	94	4	–	2	100	259
17	Fleming Fledgeling	Robert Fleming	98	3.3	135	74	19	5	2	85	292
27	General Stockholders	John Govett	136	2.5	184	38	57	4	1	93	244
53	Glasgow Stockholders	Gartmore (Scotland)	103	2.6	131	49	39	2	10	104	292
14	London Prudential	Kleinwort Benson	–	–	240	94□	4	1	1	10	270
24	London Atlantic	Investors in Industry	143	5.6	196	62	19	–	19	93	245
14	Moorgate	Philip Hill	265	5.4	298	91	5	–	4	90	310
16	North British Canadian	Investors in Industry	168	4.8	230	90	7	–	3	100	249
46	St Andrew	Martin Currie	284	3.5	393	55	28	15	2	97	285
84	Scottish American	Stewart Fund Managers	209	3.5	293	51	34	8	7	96	275
33	Smaller Companies Int.	Edinburgh Fund Mgrs	64	3.5	85	49	34	17	–	94	330
163	TR Trustees Corp.	Touche, Remnant	128	3.8	173	60	31	8	1	107	280
†	Throgmorton	Throgmorton Inv. Man.	211	4.4	†	†	†	†	†	†	†
	SPECIAL FEATURES										
58	Ailsa	J. Rothschild	87	2.1	112	42	33	16	9□	95	†
12	Consolidated Venture	Montagu Inv. Man.	96	1.3	122	24□	76	–	–	77	235
134●	Drayton Consolidated	Montagu Inv. Man.	266	4.8	385	62	26	8	4	90	242
23	Edinburgh Financial	Stanecastle Assets	45	2.2	43	73□	7	6	14□	139	†
30●	Fleming Enterprise	Robert Fleming	227	4.6	298	100	–	–	–	87	291
242	Fleming Mercantile	Robert Fleming	111	3.6	154	50	31	8	11	100	288
13	GT Global Recovery	GT Management	103	2.8	128	61	29	–	10	100	†
141●	London Trust	London Trust Man. Serv.	94	4.2	114	60	29	–	11	83	164
39	Murray Ventures	Murray Johnstone	264	2.4	358	61□	16	12	11	82	314
73	Nineteen Twenty-Eight	London & Manchester	167	4.7	197	95	4	–	1	97	269
8●	Stewart Enterprise	Stewart Fund Managers	35	1.6	48	42	32	17	9	96	†
81	TR Property	Touche, Remnant	138	3.4	180	71	15	3	11	102	270
	SPLIT CAPITAL (x)										
20	Altifund	Gartmore	445	0.1	538	96	2	–	2	113	428
2	Child Health Research	J. Rothschild	287	–	319	11	21	39	29	150	†
33	City & Commercial	Montagu Inv. Man.	544	–	776	91	5	3	1	114	†
28	Dualvest	Montagu Inv. Man.	1000	–	1192	90	9	1	–	109	†
26	Fundinvest	Montagu Inv. Man.	273	–	359	89	6	4	1	114	†
2	Marine Adventure Sailing	J. Rothschild	181	–	208	12	20	38	30	156	†
31	New Throgmorton (1983)	Throgmorton Inv. Man.	28	–	94	100	–	–	–	168	†
26	Save & Prosper Linked	Save & Prosper Group	184	–	436	100	–	–	–	126	325
18	Throgmorton Sec'd Growth	Throgmorton Inv. Man.	247	–	338	100	–	–	–	–	218
74	Triplevest	Montagu Inv. Man.	708	–	1002	85	14	1	–	117	295

NOTES TO THE TABLE

† No data.
* Applies to Ordinary/"A" Ordinary only.
a Does not include special dividend.
□ More than one quarter in non-equity investments.
(x) Capital shares.
● More than 20% in securities or other assets included at directors' valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.

(a) *Cols. 1, 4 to 6* *Figures supplied by Wood Mackenzie & Co. members of The Stock Exchange.* The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

(b) *Col. 11* The *gearing factor* indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, FREEPOST, London EC2B 2JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	297
F.T.–Actuaries All-Share	294
* Standard & Poors Composite	336
* Tokyo New Share Exchange	377
* Capital International World	310

+ *Excludes split capital.*
* Adjusted for exchange rate changes.

YOUR SAVINGS AND INVESTMENTS

The diary of a small investor

The years of growth

This is the first of four further instalments in a series by Arthur Carter, the first article having been published in the FT on February 12 1977 and the ninth on April 26 1980. Previous instalments traced the growth of his portfolio from some £3,000 in the early 1950s until his 60th birthday on October 25 1977 when its market value was £113,000.

SINCE the early 1950s I have bought almost exclusively depressed high-yielding shares for recovery. The same policy was to be relentlessly pursued, despite the vanishing yields, through the years of recession until 1984.

Despite Labour rule our portfolios (my wife's and mine) grew to £177,320 by June 10 1979. Everything seemed set fair as the Conservatives took office, for hardly one of our 36 holdings stood at less than cost or was out of the dividend list. The pace-maker was Ward White, the shoe firm, worth £23,000 against a mid-1970s cost of £5,424.

Thomas Borthwick, the century-old international meat-trader, one of Britain's largest private companies, had gone public in 1976 at 80p on a prospective 10 per cent gross yield owing to its cyclical record: it lost £13.6m pre-tax in 1974 but made £8m in 1976. The City, to put it mildly, remained unenthusiastic despite the company's extensive preliminary press advertising campaign, for all but 1.6 per cent of the shares were left with the underwriters the worst new issue flop eevr.

In May 1978 I bought 7,000 at 66½p, on a yield of 14 per cent, followed by three purchases totalling a further 6,000 at 58p, 50p and lastly at 45p on July 5. The shares quickly recovered to over 90p and were one of the Daily Telegraph's "nine shares for 1979." For two years my wife and I together received net dividends of £806 pa on our 13,000 shares. But the recession hit red meat hard, and Borthwick lost £11.8m pre-tax in 1980. From September 1980 to September 1981 I made nine purchases totalling 34,000 shares, downwards from 32p to 13½p. Although they had recovered to 17p by January 10 1982 our 47,000 shares were then worth only £8,000 compared with the £11,800 valuation of our 13,000 in mid-1979.

Twenty years earlier I had amassed in stages 2,000 shares in Duport at about six shillings, down from £1 at the peak of the post-1959 steel boom. Over the years they partially recovered and I eventually sold out at a good profit. In a matter of months, however, following the settlement of the 1980 steel strike, it was a case of back to square one, for the shares halved to 31p as the non-subsidised independent steel sector crumpled. In September 1980 I bought 6,500 at around 30p. With Duport's survival on a knife-edge I bought 5,500 more at 11p in February 1981, for Duport after all has always had substantial non-steelmaking interests. *On January 10 1982* with the shares stuck at 11p, I had a proper loss of £1,400.

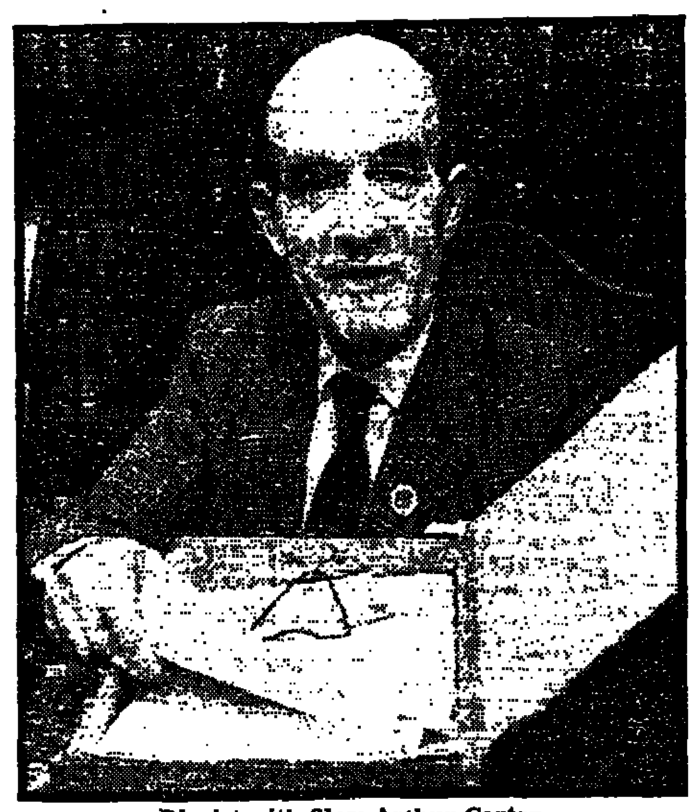
I rarely, in fact, made an initial purchase of shares unless they had at least halved from a recent high, making further purchases only if they continued to fall. By January 1982 this long-established practice did seem to be working reasonably well in four other cases despite the severity of the recession.

So it was with the TI Group, a well-diversified blue chip, its dividend uncut since the war, yet on a *yield of 8 per cent* even at its 1979 peak of 436. I bought 300 at 166p, on a 22 per cent yield, in January 1981; in four months they were up to 240p, only to slide back again. I bought 700 more at 142p in September 1981 and during the following five weeks made five further purchases totalling 7,000 shares, downwards from 130p to 104p. By January 10, 1982 they had recovered to 125p and I was marginally in profit.

In February 1980 I bought 4,300 Carrington Viyella at 19p and a month later 5,000 at 14p; and in mid-summer 10,000 more at around 11p. When they recovered to 14p on January *10 1982* I had a paper profit of £80.

Buying 8,000 BSG International in May 1980 at 17p and a further *4,000 soon after* at 15½p, I was breaking even at the start of 1982. My purchase of 3,000 Birmid Qualcast at 25½p in September 1980 was followed by three later purchases totalling 13,000 shares at 21p and I was showing a welcome £500 profit on January 10 1982.

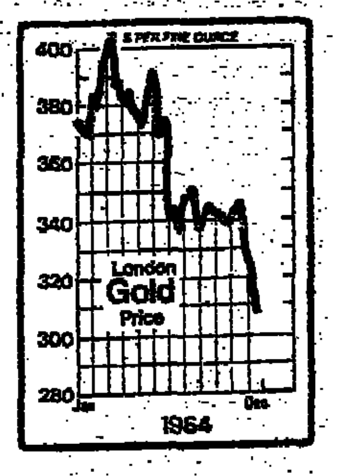
There were, however, two *more disasters during this* period on a scale comparable to Borthwick. These will be described next week.



Diarist with files: Arthur Carter

Arthur Carter	Stocks and shares	Valuation June 6 1979
5,000	UBM	3,700
1,400	Ferguson Industrial Holdings	1,800
10,000	NEI Ordinary	13,000
1,200	NEI Preference	1,000
1,200	Reed International	2,300
3,200	E. Austin (London)	3,300
16,500	Allied Breweries	16,000
1,588	GR (Holdings)	3,000
50,000	Spillers	22,000
17,000	Oxley Printing	11,000
3,705	BSG International	1,600
2,000	Bentima	1,000
8,000	Ward White Ordinary	11,000
1,600	Ward White Preference	4,500
1,000	Glen Abbey	500
5,000	BPC	2,400
1,200	Barratt Developments	1,400
4,500	K Shoes	3,200
1,500	Associated Communications	2,000
5,000	Home Counties	4,500
2,000	Lonrho	1,600
300	Clive Discount	300
316	Allied Leather	300
362	Shaw	100
11,000	Borthwick	10,000
2,000	Tate and Lyle	3,000
5,000	Bank Bridge Unsecured Loan	2,000
		£126,500
	Add Mrs Carter	50,820
		£177,820

Gold sinks to level of dross



GOLD PRICES have been weak all year, and the dip in the last few days, to less than $310 per troy ounce, may make it look as though they are now down in the bargain basement.

But individual investors are not taking the bait yet. And a sampling of the mood among professional precious metals traders suggests that those attracted to gold should hold off for a while longer.

Even the most optimistic of commentators do not hold out much hope of a price rise in the short term. Technical analysts examining trends in the market can find few factors which would prevent the price of the metal from falling further.

"There is probably not much stop before $300," says Anne Whitby of Chart Analysis. "There is a big risk that it could break through that, and if it does, it could be down to $260."

But even at these low price levels, there is no great demand for gold, says Les Edgar of bullion dealers Sharps Bixley.

In fact, Krugerrand sales worldwide fell in November to 83,000 oz, one of the worst months on record.

Not all are gloomy about the medium term prospects for gold, however. Jeffrey Nichols, of American Precious Metals Advisors, feels that the supply and demand fundamentals of gold are improving, even with the expansion of mine production now taking place.

Nichols believes mine production in 1985 should reach 38.5m oz, an increase of 2m oz from this year. Secondary production—from scrap metal and other sources—he expects to fall by 500,000 oz to 5.5m oz, offset by a similar increase in sales by Eastern European countries. This should leave the total supply of gold in 1985 at around 50m oz.

On the demand side, however, Nichols expects no net change in the bullion stocks held by central banks, while the use of gold in fabrication should rise by 3.5m ounces to a total of 37m ounces. Almost all of this increase stems from jewellery demand, which is already showing up in consumption figures.

"There are about 13m ounces left for investors," says Nichols, "against 16m in 1984 and almost 22m in 1983. The surplus is declining, and this is one of the elements pointing to a turnaround."

In the near future, however, optimism requires a good deal of bravery, and short-term profits look unlikely to materialise.

George Graham

A stake in the company

Tax and the Employee

BY DAVID COHEN

THE introduction earlier this year, of a third tax-privileged way of giving employees a stake in their company, and an improvement of the terms of the two pre-existing schemes, has created much confusion about which offers the best deal.

It is essential to follow the rules of the schemes strictly. Employees who acquire shares in their company without the protection of an Inland Revenue scheme are likely to be hit hard by the tax man. Gifts of shares to an employee are treated as additional salary and taxed as income: so are share options if they can be exercised more than seven years after they are granted.

An employee who escapes tax on the grant of an option may still have to pay up when he exercises the option and subscribes for the shares. Income tax is chargeable on the notional gain arising on exercise—even if there is no actual gain because the employee decides to hold on to the shares.

Next, there might be a further income tax bill on the amount by which the shares increase in value during the first seven years of the employee's ownership.

Finally, any part of the employee's profit that somehow has escaped the income tax net will be subject to capital gains tax when the shares are sold.

The key attraction of approved share schemes is that, provided certain conditions are met, participants will avoid income tax altogether and their only liability will be to capital gains tax when they dispose of the shares. In other words, they will be treated just like ordinary non-employee shareholders.

Two of the three types of approved scheme involve granting options to employees.

Savings-Related Share Option Schemes, introduced by the 1980 Finance Act, must be open to all full-time staff who have been employed for the qualifying period set by the company. The period cannot exceed five years.

Each participant gets an option to acquire shares in the company in either five or seven years time at his choice. The price per share payable cannot be less than 90 per cent of the market price of the shares when the option was granted.

This type of scheme is called "savings-related" because, at the same time as being granted an option, an employee has to enter into a special form of savings contract with either the Department of National Savings or a building society.

The annual rate of return on this contract is either 8.3 per cent or 8.62 per cent (depending on whether the employee leaves his money in for five or seven years). This compares favourably with the rates available now on other National Savings contracts.

Contract contributions are paid monthly for five years—the minimum contribution is £10 and the maximum was raised earlier this year, from £50 to £100.

The employee can take an option only over the number of shares for which he will be able to pay with the proceeds of his savings contract, at present a maximum of £8,800.

Higher-paid executives who found this limit far too low now have much greater opportunities under the new 1984 Option Schemes. One of the hallmarks of these is that the company has complete discretion to decide which full-time employees will take part.

The maximum value of shares for which an option can be granted to any one individual under a 1984 scheme is £100,000 or, for an employee earning more than £25,000 per year, four times salary. The employee usually pays only £1 for the grant of the option and the price at which he takes up the shares will be the market price at the date when the option was granted. Unlike the savings-related scheme, the employee does not have to put any money aside to pay for the shares.

While a savings-related option-holder has a restricted choice between exercising after five or seven, the rules of a 1984 scheme can give the participants complete freedom to decide when to exercise. They will, however, lose all the tax advantages of being in an approved scheme if they exercise less than three years or more than ten years after the grant of the option or more than once within a three-year period.

Participation in a 1984 share option scheme is by far the most attractive of the few employee benefits that enjoy the approval of the Revenue, and it gives most executives their only real chance to accumulate capital. The schemes are relatively simple and inexpensive to set up. They are flexible enough to be used to equal effect by a small family concern wanting to give incentives to a non-family executive, and a large public company with hundreds of senior managers.

Profit-sharing schemes, introduced in 1978, have so far been overshadowed by option schemes. One of the reasons might be that profit-sharing schemes are more complicated to set up.

As a first step, a company has to appoint trustees to administer the scheme. The trustees buy shares in the company, using funds provided by the company itself. They then "appropriate" the shares to employees—ie, the shares are earmarked for particular employees—while continuing to be held by the trustees for at least two years. After that, an employee can ask for "his" shares to be transferred to him.

But if the transfer takes place within seven years of the date of appropriation, there will be income tax to pay. The tax will be assessed on a percentage of the original value of the shares, and the longer the period of ownership, the lower the percentage. If the employee holds on for at least seven year, his only liability will be to capital gains tax on the amount by which the sale proceeds exceed the original appropriated value.

Like savings-related schemes, profit-sharing schemes have to be open to all employees who have worked for a minimum period and participation is usually free of charge. In each tax year an employee can be given shares worth up to 10 per cent of his salary, subject to a maximum of £5,000 and a minimum of £1,250.

Apart from the generous limits, profit-sharing schemes have one further advantage. As they were introduced by the last Labour Government, they should survive the election of any future Labour administration. This is more than can be said about the approved option schemes.

DAVID H. J. COHEN is a solicitor practising in London.

TRAVEL/MOTORING/PROPERTY

Lucia van der Post explores Tanzania's game parks

All the beauty of the animal world

YOU MAY, if you are very adventurous, tackle Tanzania on your own: hire Land-Rovers and tents and camp in the allotted places through those wildlife areas with the magical names like Manyara, Ndutu, Serengeti, Ngorongoro, Olduvai Gorge.

But I wouldn't really advise it: For first-timers, I recommend leaning on the experience and local knowledge of the well-established tour operators.

Tanzania is among the most beautiful countries in the world but it is in the throes of huge economic problems. Despite these, it is making big efforts to improve the standards of all its tourist lodges. But you must be prepared not to fret if the food is a little dull: if sometimes there is no butter; if the water runs cold (or not at all); and to be glad if your room has one light-bulb and never mind the missing three.

Photograph by Baron Hugo van Lawick

Rare sighting of a leopard with its kill, a reedbuck

Above all, you should be thankful that Tanzania is safeguarding some of the most staggeringly plentiful game parks in the world.

Where to begin? For first-timers I recommend the route taken by most tour operators—for the very good reason that, over the years, they have worked out what most people find most rewarding. Visitors usually fly into Kilimanjaro (by way of Nairobi) and from there make for Manyara, a small but enchanting game park at the foot of the Eastren escarpment of the Great Rift Valley.

This is the park made famous by the elephant studies of the Douglas-Hamiltons and it has the highest concentration of these animals in the world.

The lodge itself is on the edge of the escarpment and from all rooms you look down upon the forests, rivers, lakes and open plains of the park. On the game runs you can be almost certain of seeing huge herds of buffalo, family groups of elephant, warthog, giraffe, zebra and a host of smaller animals like impala and dik-dik as well as some spectacular birds—and, if you are lucky, the famous tree-climbing lions.

From Manyara it is a short run to the Ngorongoro crater, one of the great natural wonders of Africa. Once again the lodge is beautifully sited, right on the rim of the crater, which lies 2,000 feet below—a giant, almost-circular indentation, some 10 miles wide. Descending into it by slow, four-wheeled drive Jeep is like entering a lost world, where animals live just as they always have since the beginning of time: a microcosm of almost all Africa has to offer.

On the open plains (where they can keep a wary eye open for predators) are herds of zebra and wildebeeste, the lake is covered in a pink haze which turns out to be flamingoes and in the forests elephants are busy with the full-time business of eating. In the mud-flats a pride of lion lie lazing and hyenas and jackals lope about their business.

And so on to Serengeti and the great open plains of grass and bush and sky, dotted with the elongated figures of the Maasai herdsmen and their cattle. The first view as you drop down from the Ngorongoro escarpment gives you a glimpse of its immensity; but as you drive on and on you begin to realise just why the Maasai named it "the extended place."

Serengeti is the great glory of Tanzania and its lodges are placed beautifully to allow the visitor to explore the diverse habitats and see the maximum number of different species.

The Southern plains is where the herds of wildebeeste and their travelling companions, the zebra, gather for the great annual migration that has become one of the great wonders of the natural world.

As a general rule, the best time of year to visit the game parks of northern Tanzania is December, January and February (after the short rains and before the long ones). But for the migration itself you have to wait until the end of the long rains when the grass becomes dry and exhausted and the huge armies of animals trek north. Ndutu Lodge, a private lodge close to where Hugo van Lawick has his camp, is a famous stopping-place for those who want to see it.

Possibly the loveliest lodge in Serengeti is Seronera, right in the heart of some of the wildest bush in Africa. People come to Seronera because it is among the best lion country in the world; nobody seems to mind that there usually is some problem with the water.

The inability to take any real exercise is the main drawback to a safari holiday but the energetic could consider seven days in the game parks followed by seven climbing Mount Kilimanjaro. This is nothing like as alarming as it sounds. No climbing experience is needed though you must be reasonably fit.

The walks are highly organised with guides and porters and all kit, from boots and long-johns to anoraks, can be hired at low rates on the spot. The total cost is about £150 (including foot and overnight accommodation in the mountain lodges) and August, September and October are the best months to aim for.

The Tanzania Tourist Corporation, 77 South Audley Street, London W1 (01-499 7727) has extremely good literature on all game parks and lodges that it will send to interested readers.

I have prepared a simple fact sheet of useful hints and tips about Tanzania that is available free to any reader sending a s.a.e. to The Financial Times, Bracken House, 10 Cannon Street, London EC4. Mark the envelope "Tanzania."

The sophistication of two wheels

BY ALAN WRAIGHT

"PEOPLE DON'T expect me to come into the office dressed from head to toe in red leathers," says Andrew Sattow, 32, a director of the champagne company Moet & Chandon (London). And Tony Harris, publisher of VNU Computer publications, describes his motorbike as his company car.

They are just two examples of a trend identified by BMW, Europe's most successful motorcycle manufacturer, which is currently putting its efforts into pushing the image of biking upmarket and emphasising it as a leisure activity.

An increasing number of accountants, bankers, publishers and the like have recently taken to motorcycling and have discovered that "bikes now offer four-wheeled sophistication on two wheels," says Paul Layzell, managing director of BMW (GB).

Peter Ross, an insurance broker with the Porchester Group says: "Quite simply I find riding a bike far more enjoyable than driving a car. A motorcycle's ability to filter through heavy traffic makes it easier to turn up for appointments on time."

"My bike, a BMW K100, also creates great interest when I arrive for appointments. People's appreciation of the technical qualities of the company cars seems to heighten their interest in the advanced design of this new model to BMW's bike range."

Ironically, the reason why not just BMW's but motorcycle design in general has made such great strides forward lately lies in the shrinking motorcycle market itself. Hit by the recession, the trade is in the throes of its worst slump since the mid-1960s. Harder to win sales have led to an improvement in machinery trying to stimulate the market.

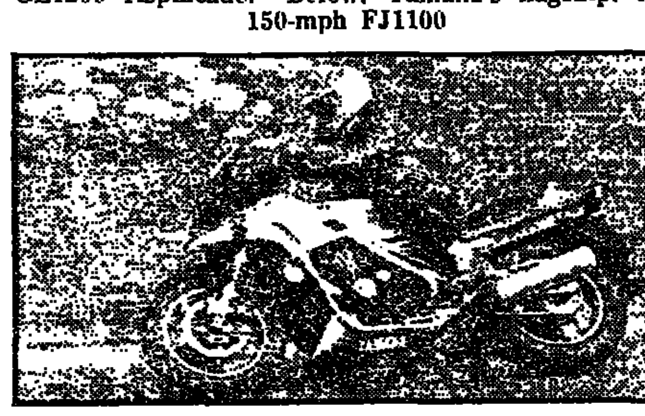
Just how great the quality improvement has been is probably best demonstrated by taking a look at a cross-section of the recent arrivals at the top end of the UK motorcycle scene.

Because of its bulk, Honda's GL1200 Aspincade (£5,750) has been described critically as a car on two wheels, somewhat unjustly. No car I know can pump up its own tyres and gives the option of raising or lowering the suspension while on the move.

The air compressor by which this is achieved, together with an AM/FM stereo system and additional gadgetry bordering on overkill, pushes the weight of the Aspincade to 717 lbs.

But, with its 1182 cc flat-four-cylinder engine slung low in the frame to keep the centre of gravity down, the Aspincade proves adequately manoeuvrable in even heavy traffic.

Close to half a ton of motorcycle on the road, Honda's GL1200 Aspincade. Below, Yamaha's flagship, the 150-mph FJ1100



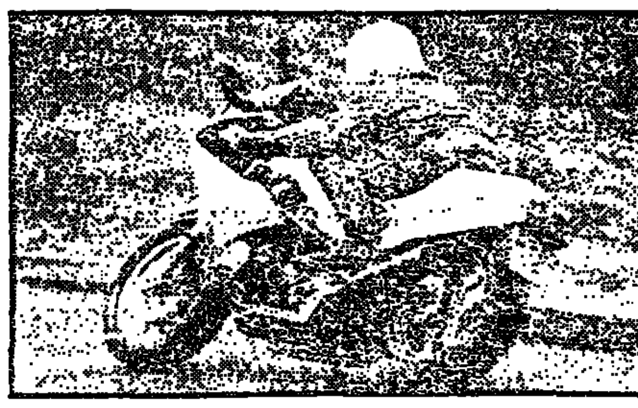
The bike is tractable throughout the rev range and a far cry from the original Goldwing, from which it was derived. That tended to be powerful at the top end but lacked engine flexibility. The Aspincade in comparison pulls healthily from low revs, with no hint of any restrictive power band on its way to a top speed of around 115 mph. For such a big machine, however, that figure depends on the strength of head winds.

In contrast, the flagship of Yamaha's range, the FJ1100, weighs 556 lb, develops 125 bhp and cuts through the air like a knife. It will take you a quarter mile from a standing start in under 11 seconds and top speed is over 150 mph.

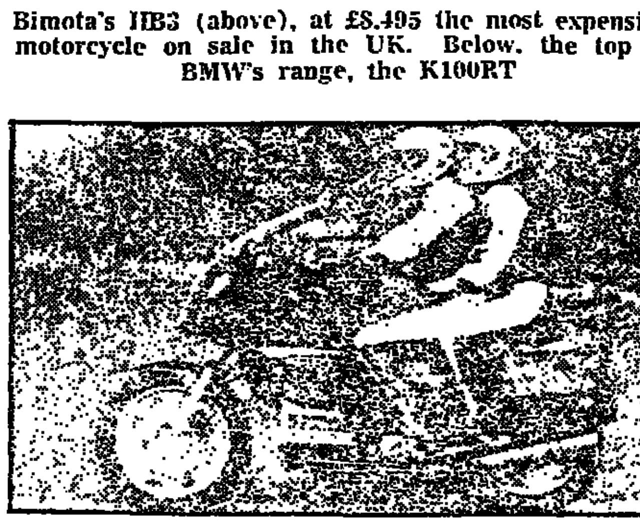
To support this kind of pace, Yamaha has used a lateral frame.

The Italian company Bimota made this frame style famous. If Yamaha's version is cruder in detailed finishing and quality of materials, the cost of the FJ1100 at £3,500 compares with the Bimota range of £7,695 to £8,495. BMW's two contenders for bike design honours, the K100RS and K100RT, cost £4,495 and £4,895 respectively.

When I first rode the standard



Bimota's HB3 (above), at £8,495 the most expensive motorcycle on sale in the UK. Below, the top of BMW's range, the K100RT



version of the K100 at its launch last year in the South of France its spongey front suspension left the front end of the machine far too light and un responsive at high speed.

Down at the Goodwood race circuit in Sussex, where I tested all three versions of the K100 I found that, with its stream lining keeping the front end firm, the RS inspired total con fidence right through to its top speed of a shade under 140 mph The RT version, if anything takes this standard of good manners a stage further.

A 1,000 cc four-cylinder engine gives the K100 range totally different character to BMW's traditional flat-twin "Boxer" models. Those have a "long-legged gait"—the faster they go, the smoother the seem. In comparison the K10 power unit is quick and turbine like. Unfortunately, like othe in-line fours, it leaves yo hankering for another gea while in top.

This aside, the RS and R especially display comfort an quality that make it easy to se why BMW's bike side is goin through the most successfu period in its recent history UK sales this year are up 2 per cent, compared with a overall motorcycle marke decline of 18 per cent.

Stuart Marshall will be back next week.

The risks behind the blandishments

OVER THE next few days, the blandishments of the travel industry will reach their traditional festive crescendo. To some extent, there will be a note of panic in the advertisements. No one knows what 1985 will be like for the companies that take the British holidaymaker abroad but few think it will be a golden year.

In some ways, this means 1985 is going to be another buyer's year in travel. But before you sit back and wait for the summer price cuts, it is worth bearing in mind a few warnings.

Although the travel business may well have to live with fewer customers next year, it does not mean you will be able to go anywhere at a lower price than first advertised. For 1984 was a nasty year, too, and yet there was a sudden holiday famine late in July and August. People who thought they would be able to book at the last minute were caught out and had either to stay at home (luckily, the UK had a very good summer) or take third best.

If you want to have a foreign holiday in July or August next year, it is best to book as soon as possible. The longer you leave it, the less likely you are to get precisely what you want. The situation becomes worse in April and May, for it is then that some operators start consolidating—in other words reducing the size of their programme according to demand—and, thus, making the supply even more limited.

With the major operators you run no risk of losing money by booking ahead. If there are any more relaunches or price cuts in the wake of Horizon, which cut prices earlier this month, these will be retrospective.

Outside July, August and perhaps early September, you are probably pretty safe in waiting, particularly as far as Spain is concerned. Your only loss might be that some tour operators—Flair, for example—have price guarantees for anyone who books early.

You would not be advised to wait very long if you plan to visit Greece next year. With Spain less popular thanks to soaring prices and reports of violent crime, the world appears to be heading for Greece and its islands. But there simply is not enough hotel space.

In peak season, this is likely not only to lead to "house full" signs; it also will mean there could be some overbooking problems. Hoteliers usually take more bookings from tour operators than they actually have rooms since tour companies always reserve the right to cancel (a right they don't pass on to their clients and usually are over-optimistic.

This year, the signs are that all operators will fulfil all their bookings, so there is bound to be trouble. Some operators have made firm, rather than provisional, bookings: Sunmed, for example, claims 80 per cent of its reservations are firm.

Turkey, the latest "in" destination, also is likely to be extremely popular this summer. Again, if you want to go there, book early. But if you are fancy free and don't mind where just as long as you get sunshine, there is no real need to think too far ahead. This summer is once again going to have a flood of low-priced seats and bookable hotel rooms—although, on present signs, most of them will be in Spain.

Oddly enough, the success of British tourism on the foreign market, and a revival of domestic holidaymaking by the British themselves, means that someof our nicer hotels might also be busy this year. This is certainly the case in London, where already, for late May and early June, it is extremely difficult to find rooms in four or five-star hotels.

A final word about tour operators and trips abroad. Next year might see more tour company collapses. Your money will be safe thanks to the bonding system, but you could lose your holiday.

You can reduce the risk slightly and certainly minimise the consequences by being careful in your choice of travel agent. You need one who promises action if your tour company ceases trading—action like giving your money back instantly or another holiday) and sorting out the money side (at no cost to you) later.

You also need an agent who is careful about what is sold. Most groups keep an ear to the ground and will not sell holidays from tour companies about which they have doubts. But some tour companies pay heavy extra commission for agents to push their products so bear that in mind, too.

On balance, it is worth booking through an agent. It costs no more and you at least have an ally if you need to shout at someone—or cry.

Arthur Sandles

Little things that mean a lot

BY JUNE FIELD

A CUP of coffee and help with minding the children when you visit estate agents is one idea being aired by the Incorporated Society of Valuers and Auctioneers in its attempt to beat off competition from the building societies and property shops.

Andrew Bailey, a marketing consultant and former managing director of Andrews and Partners, estate agents, suggested the tea and sympathy approach as part of a "welcome mat" campaign for 1985 to improve day-to-day contact with the public. He told a conference —"Marketing: the way to profitable professionalism" — which the society organised to increase its competitiveness, that it is the little touches that amount to a distinctive personal service and encourage return visits by business clients.

"In addition firms should develop a polished approach to marketing both their clients' properties and their own business, with memorable and eye-catching literature, informative pamphlets, and special sales promotions," he said.

David Stewart Hunter, director of planning and research at Saatchi and Saatchi, also hammered home the need for family appeal. "This means making services available at a time the public want to be served, such as late on weekdays and on Sundays."

The National Homes Network, with its 700 estate agency offices around Britain and Eire, is also upset at the ever-increasing encroachment on their territory, with president David Morris insisting at its recent conference that it is facing a battle with the alternative services over what is traditionally the marketing business of Britain's estate agencies.

Chairman Vivian Moon was even more beligerent, warning off solicitors because it was "wrong, professionally and commercially," for them to intrude in the market. He went so far as to say: "Leave it to us or risk hand-to-hand fighting."

But they will not get much sympathy from the Government. At the National House Building Council's lunch last week to mark 60 per cent owner-occupation in the United Kingdom, Mrs Thatcher maintained that competition and efficiency gives the best bargain. She hoped to see building societies playing a wider role as home ownership expands, and said that specific proposals were being put forward for consultation in a Green Paper to allow societies to offer conveyancing and estate agency services.

More than 1,000 practices are reputed to have joined the National Association of Solicitors Property Centres which intends setting up offices to provide everything buyers need at a much cheeper rate than the present agency commission and legal charges. Chairman Paul Bennet, solicitor in Stevenage, Hertfordshire, says that the combined fee could be between 1½ and 2 per cent. As yet the location of these one-stop property shops is still under wraps, as this is what they call their "secret ingredient" for breaking chains of property sales.

The realisation that the residential agencies will see sweeping changes in the next few years has brought particular stress on marketing. However, agents were jolted recently when Barratt's deputy chairman, Bill Bruce, likened the successful marketing of new-built homes to selling motor cars.

Now Hugo Peel, Humberts' director of marketing (a former advertising man with Hovis and Gallaghers Cigarettes), has said in the firm's magazine *Commentary* that some basic principles that apply to marketing baked beans could equally well apply to houses. "The essence of marketing owes more to the manufacturing and consumer durable industries than to the professional or brokerage property sector."

For those who want all promotion kept low-key, Mr Peel recommends acting as a "secret" agent, with "selective culling of existing names held on confidential file, activation of 'sleeper' contacts, and above all, discretion."

BOOKS

Such good souls

BY JANE ABDY

Unquiet Souls
by Angela Lambert. Macmillan, £14.95. 263 pages

The Souls, that group of bright and beautiful friends who ganged together in the 1880s, are once more attracting attention. Excellent biographies have recently been published of Balfour, George Wyndham and Mary Curzon, and we are promised Harry Cust, Lady Elcho, Lady Desborough and the Tennant family; the best introduction to the Souls in toto is the sparkling chapter in Kenneth Rose's biography of Lord Curzon.

Angela Lambert has now written a long study of the Souls and on their children, who were dubbed "The Corrupt Coterie." And here, like an MP, I must declare my interest: in 1982 Charlotte Gere and myself organised an exhibition of paintings and photographs of the Souls, and later gathered the material into a book with a short text and many illustrations. Miss Lambert's work is so entirely different, so much more ambitious in scope and theme, that I can review it quite objectively; her book is four times the length, and depicts the Souls against the whole panorama of society from 1860 to 1920. There is much on the Marlborough House set, and about life upstairs, downstairs too.

Spiced with scandal and rumour (Queen Victoria and John Brown), numerous statistics provide ballast—but statistics, as we know can mislead, and Curzon's 1890 income of £1,000 would not be £33,000 today, inflation-linked, but £19,600 after payment of tax.

The author has worked diligently, and read many memoirs and biographies. Her research has produced some new anecdotes. It is good to have the draft of Curzon's 1898 speech, and his charming compliment to his wife: "The American flag is to me all stars and no stripes." There is a pretty photograph of the Duchess of Rutland performing a "skirt dance," and a hitherto unpublished portait by her of Harry Cust; but it is sad to see Lady Elcho looking so glum. Unfortunately, slipshod proof-reading has allowed errors and contradictions: Pamela Wyndham's marriage to Edward Tennant is both "a sensible union" and "an obvious mistake"; Clouds, the Wyndham's house, is built by Philip Webb or Detmar Blow, Curzon's marquisate is both bestowed and inherited (first alternatives correct). The cover, ostensibly representing in highlife chez Souls, is a picture by Tissot, painted in St. Johns Wood in 1875, when Lady Elcho was fourteen, and Lady Desborough aged eight.

But these are quibbles. My prime criticism of Miss Lambert's book is one she has foreseen in her introduction; people may disagree with her conclusions and I find that I do. She considers the Souls to have been "decadent": they were "spoilt, self-indulgent, frivolous and pleasure-loving." Harold Nicolson, who knew many of them well, described the kernel of the group as "Tough, grand and highly intellectual. The body meant nothing, the mind everything." The Souls were no anchorites but they were never sybaritic. Miss Lambert concedes their intelligence, but her criticisms are faulty. Adultery, though far more common where the climate's sultry, was an obvious temptation among such good-looking people; Miss Lambert charts the few slips at disproportionate length, and hints at two new bastards. She believes Wilfred Blunt's brag that he deflowered Margot Tennant, but I prefer Margot's blurt to Sir Leslie Jones: "I was innocent. I knew nothing, absolutely nothing, till I was married."

Gourmandise is exemplified by "lavishness" at Taplow Court, "an enormous house"; in fact hospitality at Taplow, an overgrown villa, was sparse. Guests remember fruit cordials, not cocktails, for their hostess was teetotal, and supper could be one pheasant for seven people. Food was nothing; talk everything.

The Souls' modus vivendi was often described by outsiders as "spartan." Houses were cold; economy in evidence. The author describes Lady Warwick's gorgeous wardrobe as proof of prodigality, but Lady Warwick was never a Soul, and her extravagances led her to blackmail. Souls dressed prettily but economically; clothes were often made at home and then remodelled and re-trimmed; Lady Diana Cooper sewed many of her own dresses.

Here the once gilded Souls become guilty. "They forgot the lessons of the French Revolution." These people of integrity, probity, courage and patriotism, are even blamed for contributing to the cataclysm of August 1914.

Mrs Nina Cust—elegant member of the Souls, exclusive set of the 1880s

Travelling with tribesmen around Peshawar town

BY SIMON HENDERSON

To the Frontier
by Geoffrey Moorhouse. Hodder and Stoughton, £9.95. 285 pages

Every Rock, Every Hill: The Plain Tale of the North-West Frontier and Afghanistan
by Victoria Schofield. Buchan and Enright, £10.50. 352 pages

A few years ago a senior administrator-cum-spymaster in Pakistan's North-West Frontier province used to regale visiting correspondents, myself included, with tales about how "one of my chaps has just come back" (from across the border in Afghanistan).

He would then launch himself into an explanation of how (at that time) the latest coup in Kabul was affecting the border tribes and what this might mean for tribes living on the Pakistani side of the mountains.

It was all grand stuff, delivered in a clipped, almost English, accent, sometimes over a glass of whisky. Outside his bungalow, the broad, straight streets of the cantonment seemed to have changed little since the British Raj had left in 1947, or even since its heyday, decades before.

Indeed perhaps little has still changed, for Geoffrey Moorhouse in his latest book To the Frontier describes a meeting with the very same man.

Although now holding a more senior post, this particular Pakistani still conducts more of a tutorial than a briefing, peppered with schoolmasterly remarks on the proper way that these "fellows" should be handled.

These "fellows" are the Pathan tribesmen who can be seen, usually armed, strolling around Peshawar town. This is the native part of the city, a "few furlongs" away from the cantonment, a precaution still useful in time of local riots.

Moorhouse spent several months travelling around Pakistan before he reached Peshawar. Earlier chapters deal with Karachi in the southern Sind province and Lahore in the Punjab. But all the time he was heading "to the frontier."

Most westerners would have succumbed to a crippling bout of some gastric disorder by this time, or would have developed a violent antipathy towards the Islamic restrictions, the dust and the pervading smell of urine.

The Peshawar spymaster excepted, the romanticism of the Raj seems to be present just for an hour or so at the end of each day, when the colours of the hills and countryside are caught so beautifully by the setting sun. Alternatively it is best appreciated in front of a television back in Britain.

Moorhouse though remains the able reporter and sensitive observer, mixing in historical explanation as the circumstances demand. It is a masterly job.

By contrast, Victoria Schofield's book Every Rock, Every Hill is more blatantly geared to the Raj freak. It is, in part, a spin-off from her sojourn in Pakistan during the trial of the later executed former prime minister, Zulfikar Ali Bhutto, which formed the basis for an earlier book.

Since Miss Schofield was a confidant of the Bhutto family, her freedom to move around was restricted by the military regime.

Instead her formula has been to tell the history of both the North-West Frontier and Afghanistan through the words of contemporary chroniclers.

This works well enough until the present, when somehow the words of journalists visiting Kabul, or slipping across the border with tribesmen, are an anticlimax.

LITERARY COMPETITION

GOLDWYNISMS

"We need some new clichés," said Samuel Goldwyn. What we need are some new Goldwynisms. Here, to refresh your memory, are a few old ones, taken from Patrick Hughes' entertaining compilation, More on Oxymoron (Jonathan Cape, £7.95): "I paid too much for it but it's worth it." "I read part of it all the way through." "I can give you a definite perhaps." "Anyone who goes to a psychiatrist ought to have his head examined." "Every Tom, Dick and Harry is named Sam." A first prize of £50, and runners-up will receive copies of the book, for new Goldwynisms. No old chestnuts, please! They must be genuinely original fakes to qualify.

As many as you like on one postcard to the Literary Editor, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. The closing date is January 15. Results will be announced in the Financial Times on January 26.

After Herodotus

BY ROBIN LANE FOX

On the Shores of the Mediterranean
by Eric Newby. Harvill Press, £9.95. 448 pages

The Ants' Gold: The Discovery of the Greek El Dorado in the Himalayas
by Michel Peissel. Harvill Press, £9.95. 180 pages

These two travel books are very good value, for different reasons. What ever Eric Newby writes, I read with uncritical pleasure. The Newby travels are classics of their kind. His Short Walk in the Hindu Kush makes me laugh, even to think of it: he is the master of really awful travel, told comically, but affectionately, against its participants. Michel Peissel is new to me, though not to the many readers of his best selling Mustang. He is an expert on the Himalayas, a French anthropologist who speaks fluent Tibetan. He cannot write like Newby, but his latest book has one superb discovery which vindicates it.

On the Shores of the Mediterranean shows us Newby in the company of his wife, Wanda, who is well known to every reader of his Love and War in the Apennines. Together, they set out to explore the Mediterranean coasts and related areas, planning to write this book as a result. The aim distinguishes it from certain Newby ventures. Some of the best scenes in the Hindu Kush arose from the author's relationship with his companion, the unflappable Hugh of the Foreign Office. In the Apennines, the story was a wartime escape, from which the book grew, years later. In both cases the tale could be told against the author and the participants, as he came to know them through his travels. With a wife, there is less scope for this type of comic discovery. The Mediterranean journey had a clear purpose, whereas some of the best Newby scenes involve ventures which are endless, the ascent of a peak in Nuristan or the heaving of stones by the barrow-load, up on the Plan Sotro in wartime Italy.

The result is a different book, but it has enough flashes of classic Newby to delight its readers. There is a miserable crossing of the frontier between Libya and Tunisia, a sad night in Montenegro after the 1979 earthquake and a visit to the Museum of Atheism in Albania which has found the author it deserves. Perhaps there could have been less local history, but the whole book is a melancholy comment on the past 50 years.

The Ants' Gold, by contrast, is the story of an answer to an old and famous question: is there any truth in the ancient tale of the ants who dug for gold in a region of India beyond the Hindu Kush? The Greek historian, Herodotus, immortalised these animals, and one of Alexander the Great's officers said that their furry skins, like a panther's, were brought into the army camp. Seeking an answer, Michel Peissel crossed that "old bridge which links the Harvard Business School with the rest of the university." There he charmed the director of graduate admissions, and together they set off to Kashmir to investigate those archaic peoples in the upper mountain valleys. The hoped they might be the Dards, among whom the gold-digging animals had been located by the best Greek authors on India writing after Alexander.

They seem to have found the answer. Over their camp-fire, two guides from the Minaro tribe told them how their ancestors used to scoop up gold which marmots (furry animals) dug out of the desert sands. The desert is the remote Dansar Plain, high up the Indus, just on the Pakistan side of the cease-fire line with India. There is a good case for relating the Minaro to the ancient Dards; the marmots are not so ferocious as Herodotus' "ant-like" animals, but they are burrowing, furry gold-miners, as Alexander's officers discovered. Herodotus' tallest story turns out to be true, despite the scholars who have ridiculed it. Slightly embellished, the gold-digging marmots were a tale which filtered south, then west through the cosmopolitan Persian Empire in the fifth century BC. Once again the Greeks were right, and we were wrong to doubt them.

Lama Nordrop, Michel Peissel's guide and companion on his quest for "The Ants' Gold," reviewed today

Yo ho ho!

BY RICHARD ADAMS

Shanties From the Seven Seas
collected by Stan Hugill. Routledge and Kegan Paul, £7.95. 416 pages

Write short notes on any five of the following:— Kicking Jack Williams; Shallow Brown; Stormalong John; Essequibo Capen; Chowlah; The Hog-Eye Man; Gipsy Pole; Eki Dumah; Larry Marr; Reuben Ranzo; The Ratcliffe Highway.

If you don't feel intrigued, stop reading now. If you do, I strongly recommend this book. Apart from the charm of the airs themselves, the songs evoke a singular and vanished world—the classless, cosmopolitan, foc'sle-and-seaport world of "half-caste" West Indian sailors (Shallow Brown), bullying bo'suns (Kicking Jack Williams), thieving tarts (Gipsy Pole), Lascars ("Bosun's Mate no likee Head Serang": Chorus "Eki dumah! Eki dumah!") Crimps and shanghai-men (Larry Marr), Indian street-walkers (chowlahs) and rough neighbourhoods where sailors ashore were relieved of their pay (Ratcliffe Highway, Steoney—which is still there, of course.) Here are the real sailors of days gone by. I admit they're like the purple cow: I'd rather see than be one. But that goes for the Atreids and the Brothers Karamazov, come to that.

Mr Hugill, born in 1906, was at sea for 26 years, and then for 25 years an Outward Bound Sea School instructor. He was one of the last shantymen, aboard a Limejuice Cape Horner. (What's that? Well, find out.) His memory for the shanties is Homeric—the book gives (often lengthy) versions of 317 shanties—and his notes and explanations are reverberant. This collection was first published in 1960, and the present limp-cover volume is a condensed version: the original edition contains even more.

Now when we git to the Blackwall Docks,
The pretty young gals come down in flocks,
Some in their petticoats and some in their frocks,
O Jinny keep yer ringtail warm.

In his introduction Mr Hugill, going by written sources, dates shanties—anyway, the kind known to him and to the world today—from about the eighteen-thirties; and attributes many to Black and to Irish sailors. (Captain Marryat mentioned "Sally Brown" in 1837.) This figures, as they say, bearing in mind that 1828 saw the enactment of two far-reaching reforms: Catholic emancipation and the abolition of the slave trade. During the ensuing decades of greater freedom, labour movement and toleration, many Blacks and Irish joined British merchant ships bound for India, China and the newly-independent South American states, bringing with them their racial gifts for song. The shanties themselves are evidence enough:

In eighteen hundred and forty-one
Me dungaree breeches I put on,
To work upon the railway, railway,
Poor Paddy works on the railway.

But he left it for the sea, where he shipped with Black men, many of whom, by the same token, had cut and run from American cottonfields:

Take him to the Gully! Take him to the Gully!
But brinkee back the frock and board!
Oh, Massa, me no deadee yet!
Take him to the Gully, carry him along!

"I feel," says Mr Hugill, "that the West Indian produced more seamen's worksongs than any Negro of the Southern States. West Indian Negroes . . . in our ships . . . were ever to the fore as shantymen."

Of all kinds of folk-song, of course, the shanties are the most entirely functional, seldom or never sung except to co-ordinate communal, rhythmic work. Many folk-songs got adopted as shanties, however (e.g. "The Golden Vanity" and "Van Dieman's Land," of both of which Mr Hugill includes versions), while conversely, shanties often found their way landward, to convict and railroad gangs:

I am the ghost of Bertie Binns,
Cut down 'wuz I for me 'orrible sins.
Whisky O, Johnny O!
Rise me up from down below!

I confess to feeling moved upon learning, for instance, that a most poignant, beautiful air ("I shipped on board of a Liverpool liner") was sung to Cecil Sharp by Charles Robbins, an ex-seaman, in Marylebone Workhouse in 1908; or that some shanties are Negro adaptations of English folk-songs probably brought to the West Indies by men enslaved after Monmouth's rebellion. The underground rivers of folk-song run deep across the world, but surely no stream can have spread so wide or mingled so many waters as that of the shanties. I have often noticed that real folk-singers value the words more than the airs, which are sometimes arbitrary and even occasionally interchangeable. ("Don't know the words, do you?" remarked one dismissively to me, once—I having been rather pleased to have mastered the air.) Nevertheless, to me the airs are the heart of this engrossing book. Some may be able to sing them at sight or play them on recorder, clarinet or piano. Yet although this undoubtedly makes a big difference, it is not essential to becoming spellbound by this book.

And if we drown while we're still young,
Way, way, me Suzy Anna!
It's better to drown than be bloody well hung,
We're all bound over the mountain!

Jazz folk

BY KEVIN HENRIQUES

Hot Air, Cool Music
by Bruce Turner. Quartet Books, £9.95. 238 pages

Why No Beethoven?
by Humphrey Lyttelton. Robson Books, £7.50, 176 pages

A History of Jazz in Britain 1919-1950
by Jim Godbolt. Quartet Books, £14.95. 306 pages

Alto-saxophonist/clarinettist Bruce Turner admits in his sensitive, at times painfully self-revealing but always absorbing autobiography that he is "widely reputed to be the vaguest man in British jazz." He is also widely recognised by fellow musicians, critics and audiences as one of the foremost and most original British jazz musicians. The son of an often-travelling professor, Turner recounts with fine clarity his early and for him, a shy, withdrawn person, his especially important formative years which included a spell in India where he had his first close encounter with a saxophone. His subsequent musical career has included such disparate landmarks as studying with influential progressive pianist Lennie Tristano and four years in the band of "one of the natural entertainers in British trad," Acker Bilk.

About the state of jazz in Britain and the attitude of pundits and theorists, as well as that of musicians themselves, Turner makes firm observations and offers constructive criticism. However, his life story is not solely for jazz initiates: it is an honest self-examination of an introverted human being who eventually found salvation and contentment through playing jazz. It is also the amusing record of the life of an untypical jazzman, one with a yearning to be an actor, whose only serious addiction is to such lethal killers as strawberry cheesecake, hazel-nut bars and doughnuts.

Turner's legendary eccentricity and other facets of his character are mentioned by his employer for the past 14 years, Humphrey Lyttelton in his hilarious account of recent incident-ridden tours by the Lyttelton band to Poland and the Middle East. Band members, the locals attending concerts and cocktail parties and the staff of the British Council, which set up the tours, are the main characters in this not-so-everyday story of jazz folk. Lyttelton manages to find fun in the most unpromising situations but is never malicious or unfair.

Humphrey Lyttelton features prominently in the last 60 or so pages of the long-overdue history of British jazz which, infuriatingly for many devotees, stops at 1950, a time when, as author Jim Godbolt admits, this country "stood on the brink of her first real jazz era." However, Godbolt covers the first 31 years of the development of the basically entertainment music which became British jazz with admirable attention to detail and always most readably. He relies overmuch on the printed word of the time and some of those words, notably from leading critic Edgar Jackson, make unintentionally hilarious and sometimes absurd reading now.

More interviews with and comments by the survivors of those key — formative — years would probably have produced a more vivid and enlightening account of the embryo days of British jazz but in view of the magnitude of the subject author Godbolt has to be unreservedly praised for his achievement.

Diarist with sharp eyes

BY RICHARD OLLARD

The Journals and Letters of Fanny Burney. Volumes XI and XII
edited by Joyce Hemlow with Althea Douglas and Patricia Hawkins; Oxford, £85, for the two volumes

Fanny Burney, an assiduous diarist, was not like Pepys or Evelyn in the front rank of affairs or an acknowledged arbiter of taste. But if she was not in the front rank, she was in the front row as the great age of Pitt and Fox, of Johnson and Reynolds, of the French Revolution and the Wars with Napoleon rolled by, drawing in its wake the reign of George IV and the restored French Monarchy. By marrying into the French aristocracy she obtained a view of both countries such as few of her contemporaries could have had. As a successful novelist she knew how to communicate what she saw and felt. As a character of cheerful disposition and lively affections she can hardly fail to charm her readers.

These last two volumes, of her Journals and Letters, shadowed by bereavement, anxiety (too well justified) over the health and happiness of her only son and by the afflictions incident to widowhood and old age, are not, it must be said, compulsive. The contrast between the gentle triviality of the matter and the Martian overkill of annotation and editorial description heightens an impression that these two volumes are by researchers for researchers.

And what a mountain of miscellaneous information, superbly indexed is to be found here. What is sometimes to seek is a sense of proportion, indeed of relevance. "I hope for good tidings of my dear Godboy" writes Fanny on 23 April 1821. Six lines of annotation are devoted to the temporary indisposition of a child which has, it seems, upset his travelling arrangements.

We are further told how these were, happily, put right and, for good measure, where his younger brother was at school. Copiousness is no substitute for point. And some elementary lapses in the footnotes, usually corrected in the index, suggest that the editorial team know their way about the Berg Collection in the New York Public Library better than they do about the history and geography of England and of Europe.

One hundred pages of index to 1000 pages of text is a measure both of the aim and of the usefulness of the two volumes. The browsing reader will find much to beguile and somewhat to tease him—how sad that Fanny's comparison of Mme de Stael and Mrs Piozzi, both of whom she knew well, should not have survived in its entirety. Professor Hemlow's edition has long ago established itself as definitive and she and her colleagues are to be congratulated on bringing so vast an undertaking to a successful conclusion.

Crime accounts

BY WILLIAM WEAVER

Shooting Stars by Nicholas Coleridge. Heinemann, £8.95, 211 pages

Upward mobile young merchant banker becomes involved in the drug scene. Nicholas Coleridge's first novel is good fun. Much of the time it is keen and witty, though occasionally the rich style clogs and the breezy expertise skates on thin ice (see the reference to the Italian painter Lorenzo Lotti). The organisation of the story is patchy; there are some flashbacks, which, though in themselves well-written, slow the progress of the hero's investigation. This Coleridge is good, but the next should be better.

Sweet Death, Kind Death by Amanda Cross. Gollancz, £7.95, 177 pages

Another of Amanda Cross's campus murders. As usual, there is a great deal of erudite quotation, along with elaborate academic politics and consumption of alcohol. Either you like this sort of thing or you don't. For Cross fans — who are numerous—this will be a welcome arrival.

Port of Spain to Oxford and then Earls Court

BY DOUGLAS JAY

Beyond the Dragon's Mouth
by Shiva Naipaul. Hamish Hamilton, £12.50, 421 pages

Here are collected in one volume a series of Shiva Naipaul's writings over the past 15 years in a number of British and American journals. They hang together surprisingly well. Only a highly skilled writer could have achieved this in a book which includes an essay in autobiography, a group of short stories, and a number of descriptive travel-articles extending from Surinam, the Seychelles, Bihar and Grenada to Hull, Liverpool and the Earls Court Road.

The author's personal memoir, before harking back to Trinidad, starts at Oxford where, he says, he "spent four undistinguished years." He was born in Trinidad in 1945 of Indian Hindu parentage, with a retired journalist father, who kept on his shelves books by Bertrand Russell and other philosophers. Released from "Additional Mathematics" at 15, Shiva discovered himself among the humanities, and so at 18 won his scholarship to Oxford. But his short stories tell mainly of life in the slums of Port of Spain; and to anyone who has visited that city, with its neighbouring jumble of wooden shanties, oil refineries, humming birds, sugar estates, Hilton hotel, faces of all colours, and American "culture," they are evocative indeed.

Mr Naipaul has certainly mastered the art, which some have thought dying, of the short story. Those included here are refreshingly vivid, simple yet subtle, and in one or two cases memorable. The reader will also not merely be entertained but will learn much about Caribbean pidgin-English, about curious forms of religious evangelism, about the paternity puzzles of a society which does not rate marriage very highly, and about the urge of the younger generation with "progressive views" to go to New York or London, and the disillusion of some who get there.

In his post-Oxford days, Mr Naipaul perhaps inauspiciously, started life in Earls Court but later tried Stockwell, Fulham and Ladbroke Grove. He does not find human nature in Britain basically all that different from the Caribbean. In Hull, shepherded by the Arts Council, and seeking to propagate English literature, his experience was one which will excite warm sympathy from anyone who has had to attend local political gatherings: almost no audience except perhaps for two cats and a dog. At Liverpool the aroma of dereliction and decay, and even worse of indifference, depressed Mr Naipaul. But he was somewhat encouraged to hear that supporters of Everton and Liverpool respectively can at least "be seen talking to one another after a match."

Of his overseas sketches, backed by impressive historical knowledge, perhaps the most effective are those on the unhappy Indian state of Bihar and on the excesses and aftermath of Mrs Gandhi's son, Sanjay. He records the adventures of the Rastafarian "movement" with a detachment almost worthy of Gibbon on the early Christians.

If one wished to be hypercritical, one possibly might ask whether Mr Naipaul could not find an occasional spark of human wisdom or virtue against the sombre backdrop of frailty and folly. Is there not one just man even in Port of Spain? But what Mr Naipaul does see is so true to life, and so well told, that perhaps this does not matter.

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HOW TO SPEND IT

by Lucia van der Post

Games people play

THE good news is that the next generation seems, after all, to be not all that different from the ones that went before—that is, they aren't, as once we feared, going to spend most of their waking hours alone with nothing but a complicated piece of electronic machinery. They actually quite like old-fashioned games. They like doing things that involve other children. Scrabble and Monopoly are still the most popular packaged games on sale.

The bad news is that if they've already got Scrabble and Monopoly and would like to try something else, there are almost as many new games as wines and the choice is very nearly as complicated.

Who better to choose which are the best games of the year than children themselves? We asked some leading stores like Harrods and Hamleys for a list of the games that were selling best and asked Polly Hope (aged 12) to test the top six with a group of her friends.

William Frears (11), Rebecca Dale (13) and Polly's cousin, Tom Hope (13) were the other testers.

If you've still got some presents to buy games make an ideal choice—stores up and down the country stock them, they usually come in convenient box-like shapes which are easy to wrap. Prices, as you will see, can vary enormously. The prices we quoted were all the prices at which Hamley's are selling the games, except for The Garden Game for which we quote the recommended retail price. If you have enough time left to shop around it certainly can pay—we have seen Trivial Pursuit, for instance, selling for much higher prices than that quoted by Hamleys.

For Polly Hope's account of how the games play-in went, read on.

William Frears, Tom Hope, Polly Hope and Rebecca Dale with the game they voted tops

THE GREATEST problem in testing these games was that some were just rip-offs of the grand-daddy of them all, Monopoly. It seems that the idea behind Monopoly was one of the best ever, but now it is being given a bad name by its clones. However, the new ideas win through, and indeed they were by far the most popular with our panel.

So, on to the games.

TRIVIAL PURSUIT: (£19.99)

The object of this game is to obtain a full counter of triangles by answering questions from six categories correctly. This is a beautifully presented game with a very original format, and the questions and answers should sustain your useless knowledge banks for a long time.

Will: The questions are very cleverly chosen—some are impossible, some are unbelievably easy, so there is always a chance for anyone. However, some of the pieces are a bit fiddly. I gave it nine out of 10.

Tom: I think the pieces were difficult, and so were the questions, but it is a good game and would be even better if there was a range of ages playing. Seven out of 10.

Rebecca: The questions and the subjects they were on were varied, and I thought the board was very attractive. Eight out of 10.

Polly: It's an original idea and it would be fun for everyone over about 11. I gave it nine out of 10.

This game averaged 8¾ out of 10, but we all thought it was terribly expensive.

ANTI-MONOPOLY: (£5.99)

Nobody liked this—stay away from it. It may sound amusing but it was dismal. The object was to destroy major companies by collecting cards which represented lawsuits against them.

Will: This was stupid, and very boring too. I didn't like anything about it and gave it two out of 10.

Tom: If it can't even think of an original name, how can it be any good? Nought out of 10.

Rebecca: This was very unoriginal and it didn't have any point. One out of 10 for the board.

Polly: A terrible game—it was very repetitive and totally pointless. One out of 10.

This averaged one out of 10 and was rated rock bottom.

THE GARDEN GAME: (£14.95)

This was the most beautifully presented game that we tested, and the rules were easy to learn, although there were quite a lot of them. The object was to plant a complete garden with the seed cards allocated.

Tom: Very original, but maybe the cards and polystyrene board wouldn't last very long. The design was good, and I gave it nine out of 10.

Will: Interesting, and I really liked the board—eight out of 10.

Rebecca: I liked this because it was totally different from all the others that we tested, and it was good to look at. Nine out of 10.

Polly: This was interesting and fun—everything was well designed and it was easy to play. Nine out of 10.

(NB Although this averaged 8¾, we all thought it was much too expensive and some adults we tried it on didn't like it.)

POLECONOMY (£9.99)

Yet another Monopoly rip-off! The object of the game was to make as much money as possible by buying companies, advertising and so on.

Will: There were far too many rules and they were too complicated to understand. It was very slow and I gave it three out of 10 because the board was all right.

Tom: This has to be one of the worst games ever! It doesn't get exciting and the rules are too complicated. Two out of 10.

Rebecca: This was much too much like Monopoly, and I loathed it. Two out of ten.

Polly: This game took far too long to play, and it's difficult without being interesting. One out of 10.

Poleconomy averaged two out of 10, which speaks for itself.

MANDALA (£9.99)

The object was to manoeuvre your counters past barriers in the revolving rings in the board to the centre. This was judged to be expensive, but we all thought it was worth it, because all ages could play.

Will: This was slow and a bit repetitive, but it did not take long to learn. The rings were fiddly—seven out of 10.

Tom: This was a bit slow and there wasn't much of a climax, but it was fun and original. Seven out of 10.

Rebecca: This was monotonous, but I liked the design and the board looked good. Seven out of ten.

Polly: I liked this game, even though the rings were awkward the design was good and thought it was a very original idea. Nine out of 10.

This averaged seven and a half points.

THINK-LINKS (£8.99).

The unanimous reaction from all was "Ugh!" It is only suitable for those who, in De Bono's own words "wish to extend their thinking power."

Surprisingly, Trivial Pursuit in spite of all its popularity in America and its fame, was not our top choice. In order of popularity with our panel, the games were: The Garden Game; Trivial Pursuit; Mandala; Poleconomy; Anti-Monopoly.

Last-minute present ideas

IF YOU are still wandering round in something of a daze with a list of presents to buy that isn't fully crossed off you can, if you're quick, buy an original piece of art.

Some of the most unusual small sculptures that I have seen recently is a series of hand - painted harlequin figures sculpted by Frances Baruch. Photographed here is one example but there is an immense variety of figures in moods mostly pensive—some reclining, some in mid-acrobatics, some playing a musical instrument. All have a quite extraordinary appeal and originality.

The figures are smallish, the sitting ones are about 7 ins high, the standing ones about 12 ins and so would look at home on almost any mantelpiece or shelf.

Some of the figures are one-offs (these are about £200 each), others are part of small limited editions of either five or 10 and a single figure is about £150. Anybody who wants to buy one this weekend or on Monday can do so by contacting the sculptor herself at 16 Clifton Hill, London, NW8 (tel. 01-624 3511).

For out-of-London readers who aren't in a particular hurry for Christmas Frances Baruch has coloured photographs of almost all the harlequins which she will send to interested readers.

Harlequin with flute by Frances Baruch

Spring Tide by Martin Leman at Graffiti

Graffiti, a small gallery that I'm particularly fond of, at 30 James Street, London, W1, always has an exhibition and sale of miniature prints in the period leading up to Christmas. This year's exhibition centres primarily on cats big and small, from tigers, lions, and leopards through to the domestic moggy.

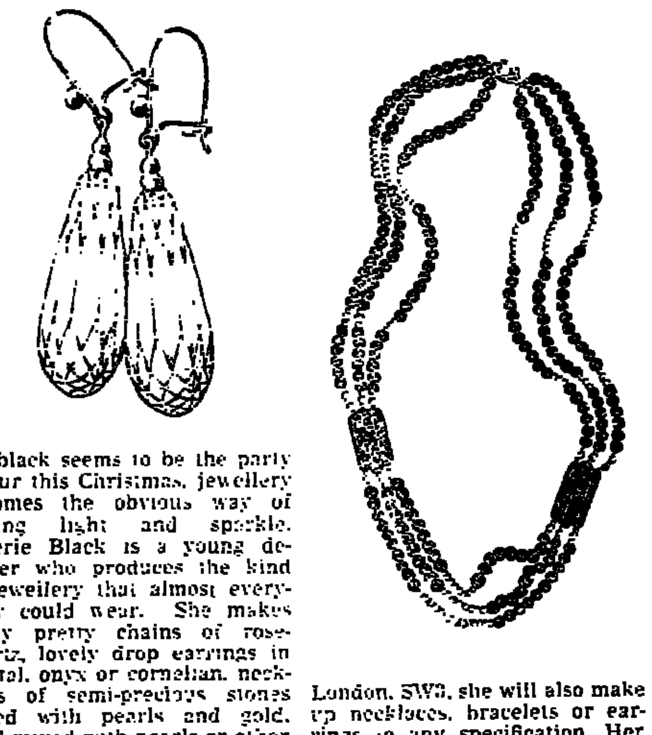
The gallery specialises in artists' original prints at prices from £5 to £40 and it offers the great plus of being prepared to frame the picture on the spot for an extra £7.50—a picture ready to hang is so much more of a present than one that needs to be framed.

If it's cats you're after, the gallery has them in all manner of mood and type—from naïve to sophisticated, humorous to deadly serious. Artists range from Isabelle Brent's miniature watercolours to Clare Bruce's mizzotints. Then there are comic cats by Maggie Burley and Harriet Brigdale as well as works by Ronald Searle, Sheila Horton and many other artists.

But if you want a print for Christmas you'll have to hurry—the gallery is open today from 10.30 am to 5.30 pm but is closed on Christmas Eve.

A good source of last-minute presents is museums and they are quite often open when normal shops are shut (in particular on Sundays). For instance, the Victoria and Albert Museum's shop in London is open today from 10 am to 5.30 pm. and tomorrow from 2.30 pm to 5.30 pm.

There you can find a whole range of original and attractive presents. Photographed here is possibly the rarest of all the offerings — "The Bride," a perfect copy of a French doll of 1865 now residing in the Bethnal Green Museum of Childhood. It is the first in a series of exact copies of dolls from the V and A's unique collection. This particular doll is a collector's item and sells for about £500 but there is another range of dolls selling for about £12, as well as a number of smaller and less expensive paper dolls, cut-outs, postcards, playing cards, jewellery and some fine books.



AS black seems to be the party colour this Christmas, jewellery becomes the obvious way of adding light and sparkle. Valerie Black is a young designer who produces the kind of jewellery that almost everybody could wear. She makes softly pretty chains of rose-quartz, lovely drop earrings in crystal, onyx or cornelian, necklaces of semi-precious stones mixed with pearls and gold, coral mixed with pearls or other semi-precious stones. As well as the large selection on view at her design studio, The Garden House, 25 Beauchamp Place, London, SW3, she will also make up necklaces, bracelets or earrings to any specification. Her prices start at a few pounds and go up to a few thousands. Open today and Monday from 10 am to 6 pm.

OVER the years the annual Christmas quiz has become something of a tradition on the How To Spend It Page. This year we thought it might be more appropriate, and more convenient for readers, if we published it in the issue of Monday, December 24 in conjunction with the radio and television page. So those of you who do it year after year should make a point of looking out for it in Monday's issue. The quiz will be very much the mixture as before—*and do remember you don't have to get every single question right to stand a chance of winning two bottles of champagne.*

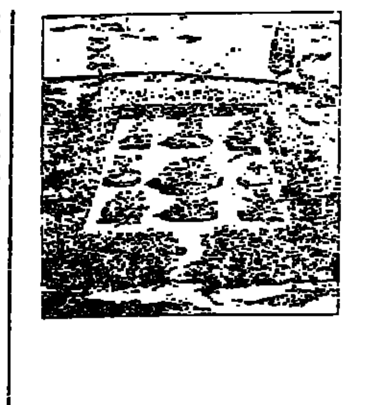
IT IS never too late to buy books and anybody who has just discovered yet another name on the list uncatered for could head for the nearest bookshop and be absolutely sure of finding something that will give hours of pleasure. For a special godchild, niece or nephew one of the most charming of this year's crop of children's books is Kingfisher Book's special production of Christine's Picture Book.

This is a facsimilie edition of a book originally created by Hans Christian Andersen as a present for the granddaughter of an old friend — the Christine of the title.

Christine's grandfather, Adolph Drewse, and his old friend, Hans Christian Andersen cut out and pasted pictures, made up all sorts of stories, jokes and verses, all to amuse and delight Adoph's small grandchild.

The original Christine's book was rather like a scrapbook and this facsimile edition has all the charm of true scrapbooks — it is full of all the contemporary scraps of paper taken from theatre advertisements, bookmarks, fashion plates, picture postcards and other ephemera of the day.

Happily, Christine was so enchanted with her present that she took great care of it, passing it on to her son who then passed it to his son, whose widow has collaborated with Kingfisher Books to produce this truly splendid facsimile. It isn't cheap — at £17.50 — but it would make a very special present.



GLASSIC GARDEN Design by Rosemary Verey is far more than just a book for gardeners. Whether you live in a grand country house or the most metropolitan of skyscrapers this is the kind of book that most of us would love to be given for Christmas. Readers of the glossy magazines will probably be familiar with the author's own gardens at Barnsley House in Gloucestershire and will know that her credentials as a gardener of great flair and sensitivity are impeccable. However, this book is not so much a practical guide as a lively, inspirational wander through garden lore and history. Through small gardens and large her learned eye wanders over the different parts of the garden—the beds and borders, the water gardens, paths, steps and fences, herbs and ornaments, vegetables and fruit.

The book is charmingly illustrated with photographs and a few line-drawings like the one above, showing a 17th century garden surrounded by a hedge of roses.

* Published by Viking at £14.95.

COOKERY

The alternative Christmas pudding

BY PHILIPPA DAVENPORT

TRADITIONALISTS insist that Christmas just isn't Christmas unless the turkey or goose, is ritually followed by plum pudding, mince pies, brandy butter and cream. The conservative *part of me tends to agree,* but I cannot help feeling that there is a strong argument in favour of finishing the feast with something a little more original and a little less heavy.

In practice, I usually end up serving not only plum pudding and mince pies on Christmas Day but something fresher tasting as well—for example a passion fruit ice, or a sharp lemon mousse spiked with a few finely crushed juniper berries and a tot of gin, or a fresh orange salad ruthlessly peeled of all membrane and pith. I may perhaps garnish the orange salad with wisps of caramelised orange peel and slices of emerald green kiwi fruit, or scatter the fruit with fragments of an aromatic praline which includes pounded cardamon seeds as well as theusual nuts.

Either way on I think the visual appeal of an orange salad is heightened if it is served in a shallow dish set on a plate garlanded with sprigs of shiny green grape ivy.

It may sound crazy to add to the Christmas Day workload by extending the menu in this way, but dishes like these can of course be prepared ahead (ices and mousses freeze well, orange salad keeps for a day or two in the 'fridge) and the time required to make them can be compensated for by serving ultra quick and easy desserts such as Turinois, Christmas brulée and syllabubs throughout the rest of the Christmas and New Year holiday break.

On at least one occasion (and at Winter dinner parties as well as at Christmas gatherings) I like to dispense with puddings as such and to serve *bonnes bouches instead.*

There is a lot to be said for ending a meal with something unexpected, small and sweet. Sweetmeats make wonderfully light work for the cook of course, and there is something particularly convivial about sharing and nibbling meats as you linger over coffee at table or by the fireside. A deliciously sociable way to round off a happy evening.

The only problem, perhaps, lies in resisting the temptation to buy too many *bonnes bouches.* A dozen items may appeal individually but if served en masse the pleasure of each can become blurred and the appetite confusde. Far more enticing to serve just two or three things at one meal, each the best of its kind, carefully chosen to complement each other, and beautifully presented—say a basket of luscious tawny-gold "semi-dried" apricots or a bowl of fresh pink-shelled lychees, and a dish of those miniature nutty spiced chocolate cookies called Lebkuchen (the fruits are available from Waitrose, Lebkuchen from *Marks and Spencer*).

Fresh kumquats, those enchanting miniature oranges which can be eaten skin, pips and all, are now stocked by major branches of several supermarkets as well as by specialist fruiterers. A natural choice of fruit for Christmas, they can be served just as they are or pricked and macerated in Cointreau or gently poached in sugar syrup if you prefer. I shall partner them with a box of best marrons glacés and a big blue and white jar of syrupy stem ginger. Everyone will have a fork for spearing and there will be a bowl of snowy Greek yoghurt or whipped cream for dipping.

Another delicious and spectacular fruit is physalis or Cape gooseberry. This is the cherry-sized golden berry which nestles inside what looks like a tiny Chinese lantern. Most often served as a fondant-coated petit four, it is even better eaten fresh or perhaps greedily dunked in cream. Fresh Cape gooseberries can be bought now—at a price—from Fortnums and Harrods in London and *may* be on sale in a few selected Sainsbury stores over the New Year.

Other possible sources are Telefruit (01-458 7211) whose postal delivery service is nationwide and Interfruit (call Freephone Interfruit) which operates on the same basis as Interflora.

On a less extravagant note, everyone loves roasting chestnuts. Use a long-handled pierced chestnut pan for preference and slash the nuts first to prevent explosions. Give everyone a glass of sweet white wine and a teaspoon. The idea is to drop pieces of roasted chestnut into the wine as you shell them and let them soak for a few moments before eating.

Even more popular with children is the traditional game of Snapdragon: heap blanched almonds, fat seedless raisins, hazelnuts and dates into a soup *plate. Pour on some warmed* brandy, then turn off all the lights and ignite the brandy. When everyone has snatched their share of goodies from the flaming plate, throw salt over the excess brandy and watch it expire in a green flash of light.

TURINOIS
Serves 10

A good choice when you want something rich and showy but are short of cooking time. Turinois takes about 8 minutes to make and needs 8 hours to set; italso freezes well.

Cream together 6 oz butter and 5 oz caster sugar until pale and fluffy, then beat in 15½ oz unsweetened chestnut purée. Add 2 tablespoons rum, brandy or cold coffee and ½ lb cool melted chocolate (plain dessert chocolate not cake decorating chocolate). Continue beating until the mixture is very smooth and well blended. Pack it firmly into a 2 pt soufflé dish which has been lightly oiled and base lined with oiled greaseproof paper. Cover and refrigerate for 8 hours or longer if more convenient.

Unmould the Turinois for serving and top it with softly whipped crème fraiche. (Crème fraiche is difficult to buy but is easily faked by whipping together ½ pt double cream and 3-4 tablespoons yoghurt or soured cream).

Let the cream trickle gently down the sides of the pudding like melting snow, and garnish with marrons glacés or curls of chocolate.

CHRISTMAS BRULEE
serves 8

This festive and very simplified version of crème brulée has become a popular alternative to mince pies in my family. Start making it a day or more before serving.

Put 3 oz each sultanas, seedless raisins and freshly chopped candied citrus peel into a bowl. Add 4 oz split almonds and a pinch of ground cinnamon. Stir in just enough brandy (or a mixture of brandy and freshly squeezed orange juice) to cover the fruit and nuts—about 7 fl oz. Cover and leave to macerate for about 8 hours so the fruit plumps up and absorbs most of the liquid.

Divide the mixture between 8 cocotte dishes. Whip ½ pt double cream with ¼ pt soured cream until fairly stiff, then fold in ¼ pt yoghurt.

Spoon the cream into the cocotte dishes and sprinkle a good tablespoon of muscavado sugar over each. Refrigerate for at least 8 hours (or up to 48 hours) before serving during which time the sugar will begin to seep sweetly into the cream.

LEMON AND LIME SYLLABUBS
serves 6

The tang of citrus and deliberately small helpings prevent these syllabubs from being over-rich. An instant pudding best served as soon as made, it can be kept in a cold larder for 48 hours but may start to separate out.

Finely grate the zest of 1 lime and 1 lemon into a mixing bowl. Add 1 tablespoon of lime juice, 2 tablespoons lemon juice and 2 oz icing sugar. Beat with a balloon whisk until the sugar has dissolved, then stir in 7 tablespoons of unsweetened apple juice.

Gradually pour on ½pt double cream, stirring the contents of the bowl with the whisk all the time as you pour. Then whisk the mixture until *it holds* a soft shape. Spoon into glasses, decorate with curls of lime and serve with almond tuiles or other pretty little biscuits.

Chaikovsky the neon-lit modern and the 'original'

The English National Opera has at last broken the restriction on Chaikovsky operas in British houses. *Mazeppa* (1884), his seventh, opened at the Coliseum on Thursday; other than the beautiful one-acter *Iolanthe* it is, I believe, the first outside the familiar run of *Onegins* and *Queens of Spades* to be given here professionally since the war.

This is good news. For though *Mazeppa*, an historical "national epic" descended from Pushkin and laid out on modified grand-opera lines, is not an interesting piece all the way through, it does possess strengths of a peculiarly interesting Chaikovskian kind. Like its predecessor, *The Maid of Orleans*, it offers a fair amount of the Meyerbeerian grandiosity that its composer could run to when the drama failed to excite his close emotional identification: the national side of the Ukranian saga is efficiently attended to, not very stirring.

But in parallel run the trials of Maria (who leaves her family for the aged warrior hero-villain), and, by extension, of her grieving, vengeful parents. In the middle act, which catches all four principals in this "personal" strand of the epic, Chaikovsky discovers the impassioned emotional involvement he, and we, have been waiting for—in a noble prison scene for the father (bass), a monologue for Mazeppa (baritone) more vivid than his other scenes, and a wonderfully agonized, dramatic duet for mother (mezzo) and daughter (soprano), all of it set within a frame of bleak violence.

The very end is no less specific in its emotional poignancy—a battlefield lullaby for mad, abandoned Maria. The whole work, even the padding, has a romantic, proto-Manfred colouring missing in *The Maid*. Its composer was, after all, a theatrical genius, and we have needed to know how his less familiar theatrical aspects might stand up to the scrutiny of a major opera company.

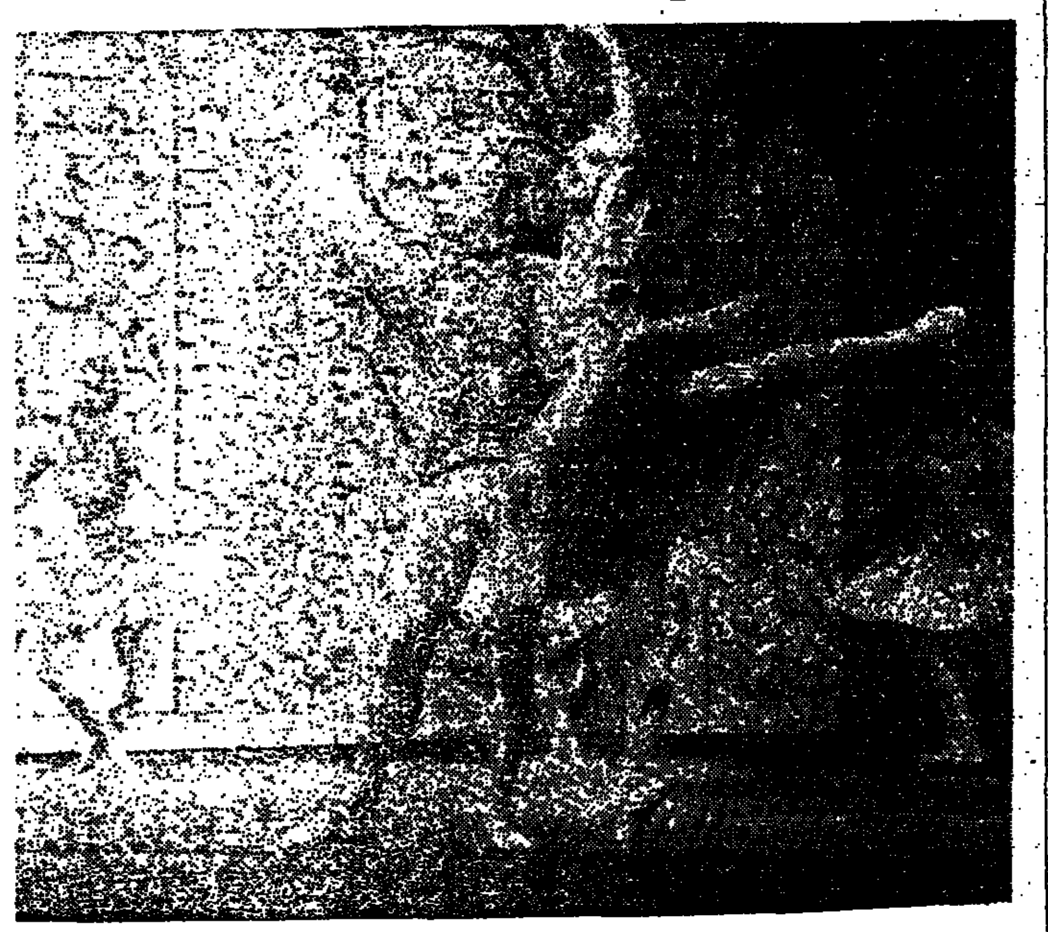
OPERA
MAX LOPPERT

I'm not sure, after Thursday, that we know much more now—though in saying this I should stress that it's a performance no one with any interest in contemporary opera production should dream of missing. It comes second in the ENO's Norwest Holst series of low-budget, single-appearance, productions of rarities. On the face of it this is an excellent, imaginative series; but last year's *Rienzi* and now *Mazeppa* could be taken to disclose a disquieting subtext thereto—that of permitting producers to come in and mess about with uneven, little-known works on the grounds that no one will care.

That's certainly not the whole truth of this *Mazeppa*, but it is some of it. For David Alden, the young American of Scottish *Rigoletto* and *Wozzeck* notoriety, and his designer David Fielding have forced the work into a mould violently different from the composer's. All the usual changes of the self-proclaimed "modern," "provocative" young opera-creators are wrought: the basic scene a kind of run-down drill hall with wash-basin, neon-lit, bare; modern costumes to suggest power-crazed functionaries and their victims in a minor Soviet republic (though the 19th century also appears in the mixture). The action unfolds with a brutality that in the musically less strong passages, notably in Act 1, comes close to self-parody. In the outer acts surreal doings with trees and suitcases add notes of intentional mystification.

Producers' Opera at its grisliest? No—for at the centre, sharply if roughly fitted to the opera's core, is a brilliantly harsh depiction of political power violently abused and nightmarish in its immediate consequences. Mr Alden, having discerned only a part of the whole of *Mazeppa*, has rendered it with unforgettable, disturbing vividness, sufficient to invite tolerance of all the self-indulgences elsewhere.

And as so often in these presentations of limited, "partial" purview, a company is roused to its best form. Mark Elder conducts a thrilling account of the music, imbalanced only in the direction of excessive loudness (no doubt the appearance of chorus and brass bands in side boxes had something to do with it). Malcolm Donnelly's dark, strong baritone and blunt, distinct stage presence lend flesh to the awkward title role (all the voice parts are uncommonly taxing). Richard Van Allan, in necessarily highly athletic trim, and Felicity Palmer (most "Russian" of all in command of vocal style) make a most moving senior couple. Janice Cairns, Maria, throws herself at the drama without stint, and with clear tone when not under pressure; in a cast numbering superb smaller contributions from Malcolm Rivers and Graham Matheson-Bruce. Rowland Sidwell's powerful but technically unfinished tenor is the only unreliable element.



Wayne Eagling and Fiona Chadwick in The Nutcracker

Below: Janice Cairns and Malcolm Donnelly

What is *The Nutcracker* about? Is it, as many companies now suppose, a proven box-office draw for the Christmas season, with inconsistencies and fatuities worthy of a pantomime, somehow sustained by Chaikovsky's familiar tunes topped by the tinkle of the celesta and a girl in a tutu pretending to be a Sugar plum? Was it ever more than this? St Petersburg reviews of the original Mariinsky performance were dismissive, and no one could envisage the extreme popularity it was later to know in the West. The first European staging was made just 50 years ago by the Vic-Wells Ballet, with the crystalline *Markova*, the established Mariinsky text mounted by Nicholas Sergueyev from his Imperial Ballet notations. The dam thus broken, *Nutcracker* flooded the West, with productions increasingly concerned to rationalise or "dignify" what was considered the feeble nature of the narrative that Petipa had drawn from Dumas' version of Hoffman's tale.

What no one seemed to do was to listen with any imagination to Chaikovsky's score, or inquire into its logic or dramatic nuance. (Alexandre Benois, disappointed by the first Petersburg production, could still perceive that the grand pas de deux had a "tragic character," and find the score "solemn and pathetic or melancholy and restless.") Herein lies a vital clue to the piece, and to the new staging which Peter Wright has prepared for the Royal Ballet, given its first performance at a royal gala in aid of the NSPCC on Thursday night.

Wright has set himself a two-fold task: to restore and edit as much of the original Petipa conception and Ivanov choreography as is feasible, and to revitalise the work for a modern audience through reference to the Hoffman story which inspired Petipa and Chaikovsky, and thus listen to the score with greter care than has been evident in almost every other staging. In this he has been aided by the collaboration of Roland John Wiley, musicologist and eminent Chaikovsky specialist. Professor Wiley assembled as complete a documentation as now seems possible from *répétiteur* scores used at the Mariinsky, from Sergueyev's notation, from contemporary commentary, to provide a basic text and an illumination of Chaikovsky's intentions. From his Wright has produced a staging, stronger in its first than in its second act (which was ever the case with *Nutcracker*) in which music and Ivanov dances are honourably served.

It is Hoffmann's tale of magic—and thus Drosselmeyer—which is the key to the presentation.

BALLET
CLEMENT CRISP

The old clock-maker's tragedy is the armature of the plot—his nephew turned into a nutcracker by the Queen of the Mice after Drosselmeyer had killed off half the mouse population: the nephew to be restored to human form only when he is truly loved by a young girl: Clara, Drosselmeyer's godchild, the agent by which this may be achieved. Wright establishes this in a prologue. Framed by the family party, the mouse-battle and snowflakes scene and the Confiturembourg divertissements become the working out of this action in a dream sequence created by Drosselmeyer, a sensitive realisation of the ballet's inner narrative and the emotional drive of the score.

Julia Trevelyan Oman, the designer, has turned to the Nuremburg of Hoffmann's time for inspiration, creating a domestic interior of Biedermeier cosiness for the Stahlbaum house, relating the action to German Christmas traditions of sweetmeats and gingerbread and tinselled angels, and giving us a Christmas tree which grows in truly magical fashion. Wright has brought off family scenes of real charm to highlight Drosselmeyer's darker, magic presence, then moves, by way of the best staged mouse-battle I have seen, to the great Ivanov snow-flake *ballabile*, which is felicitously edited.

Later showing will allow more comment. I record as a first impression that the staging has a welcome sensibility to atmosphere, not least in the way the score becomes the proper basis for the action, and that under Gennady Rozhdestvensky it was played with a finesse unheard in years of Chaikovsky ballets at Covent Garden. There are problems, notably in the second act, concerning dance performance. Lesley Collier and Anthony Dowell were assured in the grand pas de deux: the divertissements had a sketchy, first-attempt air, and their casts will need far greater polish if the Ivanov / Wright choreography is to seem in any way cogent. Michael Coleman was Drosselmeyer, sombre and melancholoy in temperament, but insidiously persuasive as a dark thread running through the action. Julie Rose was a charming Clara, Guy Niblett a poetic and dashing Nutcracker. The Royal Ballet School's young pupils acquitted themselves admirably as mice, soldiers and as mercifully well-mannered children at the party.

The production, made possible by sponsorship from the British Printing Corporadon and Heron International, may seem a seasonal treat. It is more than that, for in it we can appreciate the merits, long thought lost, of Ivanov's dances and of the poetic fantasy comon to Hoffmann and Chaikovsky.

Too much expert speak on the airwaves

I went lately to the BBC's Pebble Mill studios to see Radio 4's Thursday morning *Taking Sides* transmitted—"see," because it's on radio and television together, like Glyndebourne. A studio audience about 150 strong is invited to talk on some vital subject, and the presenter, Paul Sieghart, walks around the studio with a mike for the volunteers. It happened that this discussion was less than vital: billed as Health, it turned at once into Beauty, for to the audience, mostly women in their 30s and 40s, Health meant slimming.

More important matters were covered, though, and the programme, falling as it dos just after the 9 o'clock news (radio) and *Breakfast Time* (television), serves to remind us that current affairs remain current between bulletins. I heard a tape of the programme I attended, and it was properly three-dimensional. Public opinion is unadulterated when you have a maximum of audience participants and little interevention by experts. After Lord Windlesham's Radio 3 talks on Monday, on *Penal Policy and Public Opinion*, the questions were all from experts. They were as interesting as the talk itself, but no real index of public opinion. In *You the Jury*, the case is made by the oratory of experts,

RADIO
B. A. YOUNG

as it is in *Any Questions*; on television, the Robin Day Show is a galaxy of stars. Last Thursday's *Taking Sides*, about business morality, brought some interesting comment, though too many experts were brought in.

Like an aftermath to the current celebrations of Dr Johnson's death in 1784, Radio 4 gave *An Evening with Mrs Thrale*—an evening to us, 15 years to her, as she revealed herself in her diaries. She recorded the illnesses and the gormandizing of her husband, his political activity and his weakness for Sophie Streatfield, his death. We heard of Johnson's attachment, but nothing more intimate than his tutoring of the eldest girl Queenie ("five little girls, and still breeding!" Mrs Thrale lamented, but that last effort of hers gave only a stillborn son). We had the romantic details about Piozzi. Mrs Thrale doesn't sound nice. "I'm not used to people who do not worship me," she wrote.

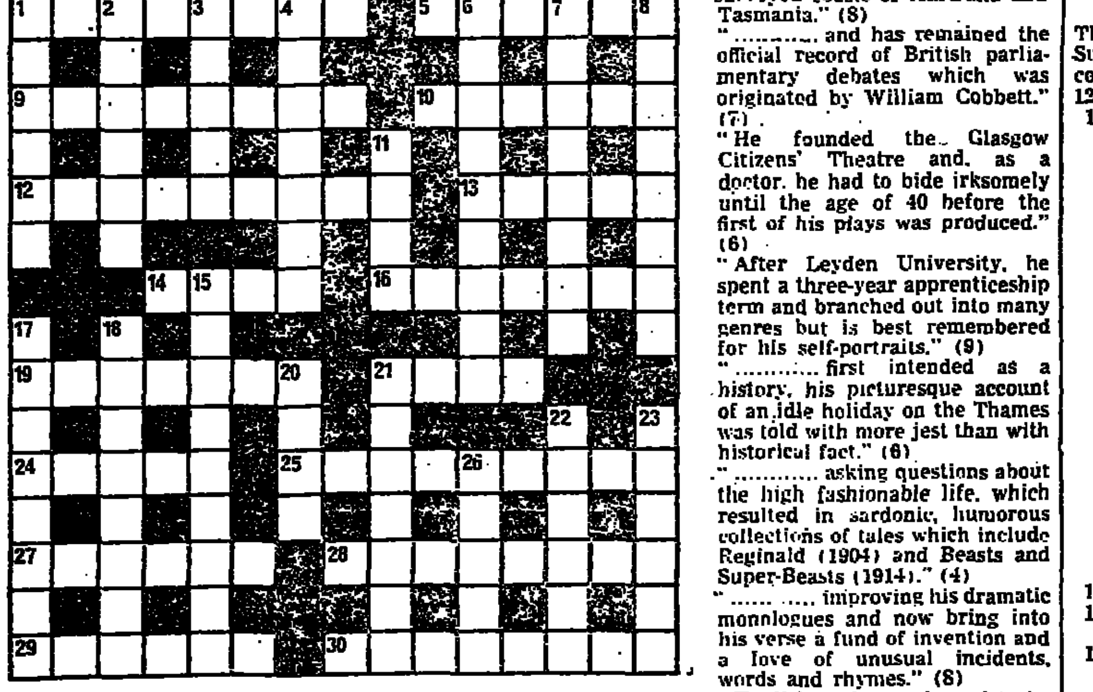
On Radio 3 we had an evening with Diderot, a kind of French Samuel Johnson, who also died in 1784. Maurice Cranston's 20-minute talk couldn't give us more than a gallon through Diderot's life, from struggling freelance to respected *philosophe*. His ideas on enlightened despotism captivated Catherine the Great, though by the time wewe nt to her court he was against both despotism and enlightment. He was against colonialism too, and wrote in favour of the Americans, but his sympathies were less with the formerly-British colonists than the Indians.

Some notes on the week's plays. Those who liked *Titus Groan* would have liked *Gormenghast* (and I have been sent the omnibus Penguin of the trilogy, 1,025 pages, £5.95). Titus, born last week, is heard now at seven, then at 17. Sunday afternoon on Radio 4, a good adaptation by David Blum of Dostoevsky's *The Friend of the Family*, with Clive Merrison and David Suchet. On Tuesday afternoon *A Few Kind Words*, about a Derbyshire miner, with no single word about industrial discontent. Instead, we overheard a dispute between the poor old, uneducated man and his educated daughter, to whom he had turned for help in devising some words for his late wife's gravestone. The gulf between manual-worker parents and their graduate offspring is truly one of the problems of our time. Emrys James did the miner perfectly, in a thick North Midland accent, and Patricia Gallimore was the daughter. No doubt which side the author, Rib Davis, was on.

There was more Radio 3 light entertainment on Wednesday, *Oedipus Gunslinger*. "O tremble, tremble, tremble!" the chorus aptly began. Then they had lines like "Unhappy is the town wherea ncient feuds Lift up their heavy heads and vengeance writes its fearful tales in the blood of innocence," the feud being between outlaw Adam Shand and Marsal Prestridge, once his buddy. By the end of that speech I was already thinking that A. E. Housman did it better, and shorter, than Ian Weir.

I haven't liked any of Derek Robinson's debunking of *Mighty Myths* on Wednesday mornings on Radio 4, and to try and demonstrat ethat the birth of Christ was a perfectly routine affair, and may have happened any time between 7 BC and 7 AD, seems at least bad timing.

F.T. CHRISTMAS CROSSWORD



WHO GOES THERE?

Each clue ACROSS takes the form of a biographical extract which leads to the name of a famous person. Each clue also contains an anagram of the required name, always beginning or ending with an entire word.

ACROSS clues are not in correct order; solvers must find out where solutions belong.

DOWN clues are normal.

Prizes of £25 each will be given to the senders of the first five correct solutions opened. Solutions must be received by Thursday January 3, marked Christmas Crossword in the top left hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4 4BY. Winners and solutions will be printed on January 5.

Name ....

Address ....

"My career spanned the Reformation in England. Ever associated with the choir-stall, I arranged and composed liturgical music." (6)

"........... associate of Auden and others, served Republican ends representing their cause in the Spanish Civil War." (7)

"........... an exploration of such high cost, taking only one sledge of supplies." (5)

"........... not the usual reign of a Roman Emperor, he was a Stoic philosopher whose views are outlined in 'Meditations'." (8)

"He had already seen nautical service beyond the limits of Arab navigation in the Atlantic. He successfully rounded the Cape in 1433." (6)

"When Germany invaded, he organised his country's National Liberation Front, bringing it to a high peak of effectiveness." (4)

"In 1577, he embarked to make navigational history." (5)

"........... in St. Petersburg after the abdication of Peter III. She began to act herein to make that city rival Paris as a cultural showplace." (9)

"........... in RN fields of hydrography. He compiled charts and surveyed coasts of Australia and Tasmania." (8)

"........... and has remained the official record of British parliamentary debates which was originated by William Cobbett." (7)

"He founded the Glasgow Citizens' Theatre and, as a doctor, he had to bide irksomely until the age of 40 before the first of his plays was produced." (6)

"After Leyden University, he spent a three-year apprenticeship term and branched out into many genres but is best remembered for his self-portraits." (9)

"........... first intended as a history, his picturesque account of an idle holiday on the Thames was told with more jest than with historical fact." (6)

"........... asking questions about the high fashionable life, which resulted in sardonic, humorous collections of tales which include Reginald (1904) and Beasts and Super-Beasts (1914)." (4)

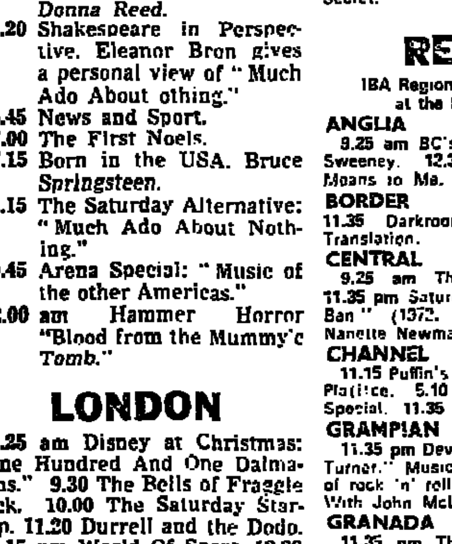
"........... improving his dramatic monologues and now bring into his verse a fund of invention and a love of unusual incidents, words and rhymes." (8)

"English author and magistrate, his main work (1749) is a human comedy, influenced in its form by Cervantes, about an infidel gallant who gives the work its title." (8)

DOWN

1 Country writer (6)
2 Printers' mistakes corrected at rear? (6)
3 Dig in model vegetable-plot (5)
4 Pearly molluscs A1 until broken up (7)
6 Correction to dement man, possibly (9)
7 Creatures sometimes clouded but still spotted in Africa (8)
8 Teddy's distaff relatives? (3-5)
11 Essential point for openers (4)
15 I teach Ann about being decorated with spiky leaves (9)
17 Priest's vestment for Charles could be blue (8)
18 High commendation for new moon—nice! (8)
20 Old vessel by day or night (4)
21 Revolutionary vehicle of 1 down? (7)
22 Female water spirit turning out in nude (6)
23 Produces "The Thirty-nine Steps" for example? (6)
26 Mountain ash in Barrow and district (5)

Solution to Puzzle No. 5,601



The solution and winners of puzzle No. 5,596 will be published next Saturday

BBC 1

† Indicates programme in black and white

8.30 am The Perishers. 8.35 The Littlest Hobo. 9.00 Saturday Superstore. Christmas cartoons, competitions and star bargains. 12.12 pm Weather.
12.15 Grandstand: 12.50 News Summary. Football Focus with Bob Wilson: Racing from Chepstow: 1.00, 1.30 and 2.05: Skiing: Motor Racing from Brands Hatch. Formula Ford 1600: Rugby League: Rallycross: The Motaquip British Grand Prix from Brands Hatch: Final Score. Classified results.
5.05 News.
5.20 Keith Harris Christmas Show.
5.55 The Circus World Championships.
6.45 "Breakheart Pass" (1975), Charles Bronson and Jill Ireland.
8.15 Dynasty.
9.05 Wogan's Women with Terry Wogan and Felicity Kendal.
10.00 News and Sport.
10.15 Films of the Year with Barry Norman.
11.10 All-Time Great Movies: "The Big Sleep" (1946) Humphrey Bogart and Lauren Bacall.
1.00 am Weather.

REGIONAL VARIATIONS

Wales—5.15-5.20 pm Sports News Wales.
Scotland—5.15 pm Sport. 10.15 Sportscene. 10.45 Films of the Year. 11.40 The Big Sleep.
Northern Ireland—4.55 pm Northern Ireland Results. 5.15 Northern Ireland News.
England—5.15 pm London—Sport. South West (Plymouth)—Spotlight Sport and News. All other English regions—Sport/Regional News.

BBC 2

2.50 pm Saturday Cinema 1: "The Old Man and the Sea" starring Spencer Tracy.
†4.15 Saturday Cinema 2: "It's A Wonderful Life" starring James Stewart and Donna Reed.
6.20 Shakespeare in Perspective. Eleanor Bron gives a personal view of "Much Ado About othing."
6.45 News and Sport.
7.00 The First Noels.
7.15 Born in the USA. Bruce Springsteen.
8.15 The Saturday Alternative: "Much Ado About Nothing."
10.45 Arena Special: "Music of the other Americas."
12.00 am Hammer Horror "Blood from the Mummy's Tomb."

LONDON

9.25 am Disney at Christmas: "One Hundred And One Dalmatians." 9.30 The Bells of Fraggle Rock. 10.00 The Saturday Starship. 11.20 Durrell and the Dodo.
12.15 pm World Of Sport. 12.20 World Cup Skiing. 12.45 News from ITN. 12.50 On the Ball. 1.15 Racing from Lingfield. 1.30 Figure Skating. 1.45 Racing. 2.00 Figure Skating. 2.15 Racing. 2.30 The Gaymers Olde English Cyder "Celebrity Sixes." 3.10 Figure Skating. 3.45 Half-time Soccer Round-up. 4.00 Wrestling. 4.45 Results.
5.00 ITN News and Sport.
5.05 Blockbusters.
5.40 Grumbleweeds Radio Show Christmas Special.
6.10 Punchlines.
6.50 Russ Abbot's Christmas Madhouse.
7.50 3-2-1.
8.50 Tarby and Christmas Friends.
9.45 News.
10.00 There's Something Wrong in Paradise.
11.35 London News Headlines. Followed by Bellamy: "The Axe Man Cometh"
12.20 am Scrooge's Rock "N" Roll Christmas.
1.10 Night Thoughts with Moshe Davis.

CHANNEL 4

1.05 pm Making the Most Of.
1.30 Chips' Comic.
†2.00 "Home At Seven" (1952) starring Sir Ralph Richardson, with Margaret Leighton and Jack Hawkins.
†3.35 "The Holly and the Ivy" (1952) starring Sir Ralph Richardson with Celia Johnson, Margaret Leighton, John Griggson and Denholm Elliott.
5.05 Brookside.
6.00 Danger Man.
6.30 Seven Days.
7.00 News Summary and Weather followed by This is Elvis (1981) Documentary.
9.00 "Two Track Mind," starring Sue Jones Davies.
9.45 "Don Quixote," starring Mikhail Baryshnikov.
11.20 Ian Breakwell's Christmas Diary.
11.30 Skateboard (1977).

S4C WALES

1.50 pm What the Papers Say. 2.05 A Week in Politics. 2.45 Realm of Darkness. 3.45 The Wine Programme. 4.15 The British at War. 6.10 The Avengers. 7.10 Y Nadolig Hwnnw. 7.20 Suported 7.30 Newydoion 7.45 Sion A Sian. 8.15 Noson Lawen. 9.20 Y Maes Chwaree. 10.10 Feature Film, "State Secret."

REGIONS

IBA Regions as London except at the following times:

ANGLIA
9.25 am BC's Prize Time. 11.35 The Sweeney. 12.35 am What Christmas Moans to Me.

BORDER
11.35 Darkroom. Guillonne/Lost in Translation.

CENTRAL
9.25 am The Star of Bethlehem. 11.35 pm Saturday Cinema: "The Love Ban" (1972. Stars Hywell Bennett, Nanette Newman and Milo O'Shea.

CHANNEL
11.15 Puffin's Pla(i)ce. 5.05pm Puffin's Pla(i)ce. 5.10 The Smurf's Christmas Special. 11.35 The Sweeney.

GRAMPIAN
11.35 pm Devil's Lake Concert—"Tina Turner." Music from the raunchy lady of rock 'n' roll. 12.35 am Reflections—With John McLeod of Drumnadrochit.

GRANADA
11.35 pm The Saturday Film: Kirk Douglas, John Cassavetes, "The Fury."

HTV
12.13 pm HTV News. 11.35 pm Muhammad Ali Goes East. 12.20 am Five Ways of Christmas.

SCOTTISH
11.35 pm Late Call with The Rev Robert Carmont of Sandyhills Church, Glasgow. 11.40 The Comedians.

TSW
11.15 am Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Smurfs Christmas Special. 11.35 The Sweeney. 12.35 am Postscript. 12.40 South west weather and shipping forecast.

TVS
6.25 am Good Morning Britain. 11.35 pm Paul McCartney The Man, his music, his movies. 12.05 am Christmas Company.

TYNE TEES
9.25 am Morning Glory. 11.35 pm The Love Ban 1.20 am Poet's Corner. Maxwell Dees reads "Christmas" by John Betjeman. 1.25 The Star of Bethelehem.

ULSTER
4.45 pm Ulster Sports Results. 5.03 Ulster News. 9.57 Ulster News and Weather 11.35 The New Avengers. 12.30 am News at Bedtime.

YORKSHIRE
11.35 pm Return of the Saint.

BBC RADIO 1
(S)=also VHF Stereo
8.00 am Peter Powell. 10.00 Dave Lee Travis. 1.00 pm Lenny Henry (S). 2.00 Paul Gambaccini with America's hits (S). 4.00 Saturday Live with Richard Skinner and Andy Batten-Foster. 6.30 Feel the Spirit featuring The London Community Gospel Choir, recorded at The Studio, Streatham, London. Introduced by Lenny Henry. 7.30 Ian Brass including sessions from Creveela de Ville and The Adventures. 9.30-12.00 Dixie Peach.

BBC RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s with Keith Fordyce (S). 11.00 Album Time with Peter Clayton (S). 1.00 pm Radio Active—comedy series starring Helen Atkinson Wood and Angus Deayton. 1.30 Sport on 2—Racing from Chepstow: Cricket: News from India on the final day's play between England and the Combined East and Central Zones; Reports from Melbourne on the Fourth Test between Australia and the West Indies. Football Prospects. Rugby League. Sports Report. 5.15 Scottish Football. 6.20 Cricket: from India and Australia/Rugby 5.25 Racing Results. 5.30 Knokke Cup 1984. 6.00 Folk on 2—Jim Lloyd introduces Hope in the Valley. 7.00 Jazz Score at Ronnie Scott's 7.30 A Celebratilon of Christmas, starring Dana, Cliff Richard and Roy Castle (S). 9.30 Big Band Special (S). 10.05 Ken Brice (S). 12.05 am Night Owls (S). 1.00 Peter Dickson and Charles Nove (S). 3.00-4.00 Wally Whyton introduces County Concert (S). maching 51

BBC RADIO 3
6.55 am Weather. 7.00 News. 7.05 Aubade (S) Strauss arr. Shostakovich, Chopin, Bruch (mono), Schubert, Adam, Bach. 9.00 News. 9.05 Record Review (S) incl Building a Library: Falla's "The Three-Cornered Hat." 10.15 Stereo Release (S) Mozart, Martinu. 11.15 BBC Welsh Symphony Orchestra (S) Rachmaninov. 12.05 pm Mathias, Mussorgsky orch. Ravel. 1.00 News. 1.05 Cello and Piano (S) Janacek, Liszt, Brahms. 2.00 Verdi's Operas: Il Trovatore (S) Records, with Ghiaurov, Burrowes, Sutherland and Pavarotti; sung in Italian, conducted by Bonynge. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Franz Schmidt (S) Quintet in A. 7.35 The Angel on the Train. Short story by Eugene Dubnov. 8.00 Handel's Messiah (S). 9.00 Born of the Virgin Mary 9.20 Handel's Messia (S). 11.00 Haydn (S) Solo and Concerto keyboard works. 11.57 News.

BBC RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 8.00 News. 8.10 Today's Papers. 8.15 Smash of the Day. 8.43 Yesterday in Parliament. 8.05 Christmas in Poland. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 A *Christmas Story by Joe Mahon*. 12.00 News; A Small Country Living at Christmas with Janine McMullen. 12.27 pm News Quiz of the Year. 1.00 News. 1.10 Any Questions? 2.00 News: The Afternoon Play (S) "Rose at Roquebrune" by Dawn Lowe-Watson. 3.00 News: Children Talking ... About Christmas. 3.30 Further Thanks to Uncle Fred. 4.15 The Bitter and the Sweet. 4.45 Persona Grata. 5.00 Wildlife. 5.25 Week Ending (S). 6.00 News. 6.25 Karluk. 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S) Richard Baker with records. 8.30 Saturday-Night Theatre (S) "Christmas at Dingley Dell" adapted from "The Pickwick Papers" and "Christmas Stones" of Charles Dickens. 10.00 News. 10.15 A Day in the Jungle. 11.00 Evening Service (S). 11.15 The Demon Cakestand of Beestley Chase (S). 11.30 In One Ear (S) Steve Brown, Helen Laderer, Clive Mantle and Nick Wilton "live" at Christmas. 12.00 News. 12.15 am *Victorian Christmas Miscellany (S)*.

BBC RADIO LONDON
7.32 Good Fishing. 8.04 London Weekend. 8.30 The Magic Carpet Company. 9.03 Annemarie's Christmas Cracker. 10.02 All That Jazz. 11.30 Jeff Young's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 6.30 Big City. 7.30 Hold the Front Page. 8.00 Eastern Ear. 8.30 Good Fishing. 9.00 As Radio 1. 12.00 As Radio 2.

CAPITAL RADIO
7.00 am Dave Cash's Breakfast Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 The Kenny Everett Show. 2.00 pm Nicky Horne. 5.00 Greg Edwards: Soul Spectrum. 8.00 David Rodigan's Roots Rockers. 11.00 Mike Allen. 1.00 am Fusions with Steve Collins.

CHESS SOLUTIONS

Solution to Position No. 547

1 RxKP, RxP ch (if QxR? 2 Q-Q4 ch and 3 QxR) 2 K-R1, Q-R8 ch (now if QxR?? 3 Q-B8 mate) 3 R-K1, QxR ch! 4 QxQ, RxP ch 5 KxR, N-B6 ch 6 K-N3, NxQ with a won endgame.

Solution to Problem No. 547

1 R-R8 ch, K-N3 3 P-N, N moves 4 N-B5 mate.

LEISURE

When pantomime was a wondrous spectacle

COLLECTING

JANET MARSH

FOR THE well-off London child of a century ago, this Saturday would have been them ost exciting day of the year — the occasion of the firstm orning performance of the pantomime at Drury Lane.

These morning performances were inaugurated in the 1860s: a writer in The Illustrated London News recommended them highly "for young children who ought not to be subjected, even for a single night, to the unwholesome influence of late sitting, foul air, flaring gas and unwonted excitement from seven o'clock till nearly twelve or any portion of that time" (all the things, one imagines, the young children would love dearly).

"On the other hand," the writer conceded, "they may well be supposed to want occupation and amusement during even the shortest days of this holiday season; and it is better for them to be at Drury Lane theatre from two o'clock till five than romping in the drawing room or moping in the nursery, and possibly breaking windows." As this reveals, "morning performance" was an odd English misnomer on the analogy of "matinee."

The shows, in fact, usually started at a quarter to two, and probably went on much further into the smoggy London evening than five o'clock; the ordinary evening shows started at seven and it was notorious that the Harlequinade finale rarely finished before midnight. The Victorian pantomime was value for money, indeed.

The early history of the metamorphosis of the characters of the *commedia dell'arte* into the native Harlequinade, is familiar enough (I seem, indeed, to revert to its most Christmasses in this column). By mid-Victorian times, however, pantomime had developed into a very particular form.

It always began with a prologue in which allegorical figures held forth rather tediously in the view of the young audience, who were eager to get to the pitch of the thing, the story. In the Georgian and early-Victorian periods, there was no limit to the range of themes for this—with a preference for the exotic or the topical: in 1847 there was even *"The Birth of the Steam Engine, or Harliquin Locomotive."* By the 1860s however, narrowed to the familiar fairy stories.

The piece would be played out in phymed couplets, with an abundance of topical references and attrocious puns. The denouncement and resolution was provided by the grand transformation scene during which hero and heroine would be charged into Harlequin and Columbine.

The Harlequinade was played against realistic contemporary scenes, mainly streets filled with shops purveying comedy props. While Harlequin and Columbine performanced terpsichorean feats, Clown and Pantomime would go through old but neverfailing slapstick routines with stolen sausages, red-hot pokers, *live geese and pigs.*

A hundred years ago, however, the pantomime was in transition, thanks largely to the arrival of the ambitious and flamboyant Augustus Harris at Drury Lane in 1879. Now, the spectacular element began to dominate.

Since Harris needed artists equipped to entertain before the front cloth during the intervals for changing the scenery, he started recruiting music hall artists who changed the style of pantomimen. The arrival of artists like Vesta Tilley, Fannie Leslie and Marie Lloyd permanetnly established the convention of the principal boy.

More important, the presence of such accomplished funnymen rendered the comedy of the Harlequinade redundant and it dwindled, lingering on for a *while only as a token.* By the end of the 19th century, the pantomime was once more transformed, to enter on a notinglorious final stage before its near extinction in our own day.

While it lasted, though, its lunacy must have been delirious — to judge at least from the programmes, prints, books of words and other souvenirs that offer so rich a field for the collector. Take, for instance, Drury Lane's 1872 "Tom Thumb," whose hero falls into a dish, is deposited by his mother in a pudding bag and thereafter boiled in a saucepan.

The pudding bag being carried off by a tinker, Tom escapes from it, only to be swallowed by a cow. Disgorged by the cow, he is borne aloft by a crow which drops him into *the mouth of the giant Gumbo,* who spits him into the river where he is swallowed by a salmon which is served at a banquet to King Arthur. Jonahlike, he emerges from the fish to do battle with it and be knighted by the king.

Even after all this, there was a further tangled mass of plot before Tom's apotheosis into Harlequin. Faced with a farrago like this, it is easy to sympathise with the wistful curiosity of the Illustrated London News writer who wished that he might "follow some of these children home and hear them talk with delight, as they will for many days to come, of the wondrous spectacle they have seen."

A wealthy family on the way to Tom Thumb in Drury Lane in 1872

Arthur Hellyer on magazines for amateur gardeners

Finest flowering of knowledge

FOR THE past two centuries there has been a demand for books that were more learned than those written for ordinary gardeners yet not quite so technical as those intended for botanists. One of the first to appreciate and exploit this market was William Cuntiss an apothecary employed as a demonstrator in the Chelsea Physic Garden.

In 1787 he published the first issue of *The Botanical Magazine* which he described in the original title as *The Flower Garden Displayed* in which the most ornamental foreign plants, cultivated in the open ground, the greenhouse and the stove, are accurately represented in their natural colours. Since colour printing had not been invented, all the colouring had to be done by hand and so it continued for a great many years but eventually economics necessitated a change to modern methods of colour reproduction.

So the magazine, now known simply as *Curtis's Botanical Magazine,* continued until this year, each plate accompanied by an accurate description, but now a broadening of the system has been deemed necessary and last April the magazine appeared for the first time incorporated in a completely new publication called *The Kew Magazine.*

The colour plates and descriptions are there just as usual but there are also other articles of a more general nature. There are to be four issues each year, published in *February, May, August* and November, the annual subscription in the UK is £30, overseas £35 and the U.S. $45, and all inquiries should be addressed to Marston Book Services, 108 Corley Road, Oxford, though the magazine is actually published by The Bentham-Moxon Trust, Royal Botanic Gardens, Kew, in association with Collingridge Books.

The Plantsman was launched in June 1979 as a quarterly magazine for very much the same market. It has fewer colour plates but more articles covering a wider range of subjects. It is published by *The Garden,* itself the official journal of The Royal Horticultural Society, and its editorial director, Hugh Johnson, and editor, Elspeth Napier, clearly intend it to meet the requirements of those who miss the old R.H.S. Journal which was edited for a more botanically and technically minded readership than *The Garden.* The annual subscription in the UK is £9.50, overseas £10.50, from New Perspective Publishing, 19 Garrick Street, London.

Two new books which belong to this class of publication dealing with what has been called botanical horticulture are *Primulas of Europe and America* by G. F. Smith, B. Burrow and D. B. Lowe (Alpine Garden Society £19.50 plus £1.40 postage) and *The Pelargonium Family,* by William J. Webb (Croom Helm, £19.95). In the primula book one long chapter of 159 pages is devoted to descriptions of the species, arranged alphabetically with an account of the areas in which each grows wild.

'This is a very scholarly work and one that must be essential reading for those who take primulas seriously'

There follows a similarly arranged chapter of 13 pages on hybrids that occur naturally in the wild and then a further 22 pages on artificial hybrids and garden varieties. The final chapter deals with cultivation, propagation, and pests and diseases and there are four appendices on synonyms. The whole book is well illustrated with maps, diagrams, drawings and 32 pages in colour from photographs taken both in the wild and in gardens. This is a very scholarly work and one that must now be essential reading for all those gardeners who take primulas seriously: and particularly those who like to see them growing in the wild.

At first sight *The Pelargonium Family* looks more like a popular coffee table but a glance inside the covers shows that this impression is entirely wrong. In fact the book is as carefully researched and as well put together as that on primulas and it includes two genera related to pelargonium, monsonia and sarocaulon, which I have never previously seen described in a book prepared primarily for gardeners.

All the species are arranged alphabetically and the descriptions are detailed and clear. Illustration is also excellent with very good drawings, adapted mainly from those made by the author, and colour photographs all by the author. Again this is a book which no one deeply interested in this large, mainly South African family can afford to be without.

The Art of Planting by Graham Stuart Thomes (Dent £12.95) is not concerned with botanical horticulture but is very definitely for those gardeners who like to know a great deal more than ordinary books on choosing and placing plants are likely to tell them. All his working life the author has been a perfectionist in garden making and particularly in making gardens with plants.

For many years he was Gardens Adviser to the National Trust and even in semi-retirement (which seems to keep him busier than ever) he is retained by that great charity as Gardens Consultant. So he has had vast experience in planting and restoring gardens and he holds very strong opinions about plants, and the way in which they should be used.

This is a big book of 323 pages dealing with all aspects of garden making and there are plenty of illustrations from both black and white and colour photographs mostly taken by the author. I recommend it heartily.

Finally there is a book which contains many beautiful pictures but hardly any text at all. It is, in fact, a super diary for the gardened who wants to keep permanent records of what goes on in the garden. Called *The Kew Five Year Diary,* it costs £9.95 and is produced by the Royal Botanic Garden, Kew in association with Collingridge Books.

Each large page is ruled for seven days and headed Week 1, Week 2, etc. but the year is left to be filled in. There are sufficient pages for five years and the weeks for each of them are arranged concurrently so that one can readily compare the differences and similarities that occur from one year to another.

All the colour plates are from *Curtis's Botanical Magazine* and the line drawings are by Christopher Grey-Wilson who has also supplied all the plant notes and line drawings.

Time for replenishment

WINE

EDMUND PENNING-ROWSELL

NOW IS the time of year for all good men and women to come to the aid of their cellars or reserves of vintage wines. Recent purchases, made it is hoped in good time to allow them to settle down, will probably have been made with a view to short-term requirements over Christmas, New Year and winter drinking. But with a year's consumption behind us, and perhaps a little more time at the moment than usual for oenophilic contemplation, the opportunity occurs for taking a longer-term view; and, as has been suggested before in this column, this is greatly assisted by a record of what has been drunk in the year and what stock exists.

The term "vintage wines" refers not just to wines that bear a vintage date on the label, such as Muscadet, Sancerre or the great majority of Italian wines that are for prompt drinking. Instead it covers those wines that are bought for keeping and laying down: perhaps for only a few years, but maybe for a great deal longer. This refers mainly to claret, red burgundy, the finer Rhône wines and vintage port: but also to such wines, commonly drunk too young, as white burgindy and important estate-bottled German and Alsace wines.

Taking claret first, unless the heavens—and the dollar—fall, there is no doubt that the best and most economical way of buying this is to acquire it early: not only the much sought-after and invested-in top 20 or 30 growths, but also the superior *crus bourgeois* and even lesser wines that may not call for prolonged keeping, but once sold out on merchants' lists here in Britain they are very unlikely to be found again. The merchants will have to devote their resources to buying succeeding vintages, the French, most of whom like their wines very young if not almost winking at the brim, will have drunk the minor wines, while the prices of the major growths will have soared on the Bordeaux market.

To take the most recent example of the 1983s, the first-growths that opened at FFrs 170 a bottle early last summer, by the autumn were quoted from FFr 265 (Lafite) to FFr 240 for Mouton-Rothschild; while at somewhat lower level, with their opening prices in brackets, Ducru-Beaucaillou (FFr 90) was FFr 135, Pichon-Lalande (FFr 85) FFr 125, Léoville-Las-Cas (FFr 90) FFr 120 and Figeac (FFr 100) FFr 125. The even more popular 1982s are much higher. To such prices must be added for listing here, the freight duty, VAT and mark-up of the British merchant.

So those who have already bought their 1983 clarets have reason to congratulate themselves, while those who have not acquired them should not delay in doing so from merchants who still have them at prices little or no greater than those at which they opened in the summer. In fact their 1983s have been better supported here than expected after the great success of the 1982s. They are big, fruity, often somewhat tannic wines, which suggests that they will take some time to come round, but they are wines of class, and some superior to the 1982s. If not yet another "vintage of the century," 1983 is certainly greatly superior to 1984. Even this year turns out better than very pessimistic early reports predicted.

The 1982s may be becoming rather expensive and probably often not listed by merchants who are holding their remaining stocks for later releasing, but they should be in every claret-lover's reserve. So should the 1981s, with the better 1980s for more or less current drinking and the 1979s for a few years ahead. In some recent tastings I have been very impressed with 1978s, wines of great character and full flavour, though the finer examples are for the long haul.

It should not be overlooked that 1983 was a very good year *for Sauternes, and for the first* time a number of the classed growths were offered en primeur. Although the 1984s may turn out reasonably well, they cannot equal the 1983s that have been the subject of a number of offers by British merchants, and should be bought by those who particularly enjoy these luscious dessert wines.

For red burgundies there is not much point now in buying vintages for keeping earlier than 1982. The 1981s are generally poor to indifferent, the 1980s are already drinking well, the 1979s are not very exciting and the excellent 1978s are much better, and certainly superior to the 1984s.

The picture is somewhat different for the whites. The 1981s are certainly good. A few 1982s tasted recently on the spot seemed a bit "fat," lacking some acidity owing to that hot vintage, but they should certainly turn out well. However, the 1983s are probably better, and should be represented on every burgundy drinker's list. Neither they nor the whites can be called cheap, except for Chablis that is very good value, but they may look so in two or three years.

Nor should the 1983 *crus* Beaujolais be overlooked: exceptionally full-bodied, they will keep for several years, and there may not be another vintage of equal quality for some time.

The same vintage must figure on the buying lists of Alsace and German wines, for 1983 was exceptional in both countries. *Last month (November 10)* I wrote about the generally under-valued qualities of the former, and the advantages of keeping rather than laying down the finer examples. The same applies to German wines, whose popular reputation has hardly been enhanced by the cheap Liebfraumilchs and "medium drys" to be seen on certain supermarket and off-licence shelves. But the fine 1983 Moselles, Rheingaus and Palatinate Rieslings are worlds away, and when exhausted on wine merchants' lists here they are unlikely to be seen again. When to drink them? As delicious summer aperitifs after at least two or three more years' bottle age.

Increasingly red Rhônes, particularly from the northern sector round Ampuis and Tain l'Hermitage, are being bought to lay down, and the vintages are much more regular than further north: also they can be bought comparatively inexpensively. The best vintage of fairly recent years is 1978: big wines that deserve long keeping. The 1979s and 1980s are more for drinking, the 1981s are generally disappointing, but 1978s are distinguished, while one leading Tain merchant believes the 1983s to be so good, though backward, that he is not releasing them until early next year, when they will certainly be offered here.

A few port firms only have declared a vintage in 1982. Opinions appear to vary as to their quality. On sampling them I preferred Quinta do Noval and Sandeman to Croft, but others have extolled this wine. Assessing young vintage port is a specialist's job, and I would not claim to be one. They *will be on offer here shortly,* and should be represented in every port enthusiast's cellar.

Not the least good reason for replenishing fine wine stocks shortly is that in the next Budget the Chancellor of the Exchequer is more than likely to try to recover some of the £2 a case on table wines that he was obliged by the EEC to give away last year, by raising the duty.

Graham Lyons on breathalysers and the rules

The limits of Christmas cheer

THERE IS little doubt that heavy drinking is a major factor in crimes of violence. Drunken drivers kill over 1,000 victims each year in Britain. As a result of nationwide publicity last Christmas, drunken driving was reduced by about one third on the previous year. Still, in Strathclyde half of those who were breathalysed were over the limit and in Grays, Essex, several motorists found to be above the legal limit were jailed.

Since last Christmas there have been a number of stories in the press which have cast doubt on the status and reliability of the two new breath machines, the Lion Intoximeter 3000 and the Camic Breath Analyser.

As far as the status of the machine is concerned that debate ended on October 9 when Lord Chief Justice Lane declared that the Home Secretary, with parliamentary sanction, had been entitled to bring the new machines into use. So 53,000 motorists convicted of drunken driving before the appeal had their hopes dashed.

Nonetheless there remains the debate as to whether or not the breath machines are reliable. The Home Office claims that field trials in 1982 showed that all motorists whose breath samples were over the limit also had blood which was over the limit.

Yet the Association of Police Surgeons which carried out its own independent research in the past year claimed that about 18 per cent of those whose breath was over the limit had blood within the limit.

Eventually on March 26 this year the Home Secretary decided to ask the Forensic Science Services to carry out further research and asked the Professor of Pharmacology at Oxford University, Sir William Paton, to chair the report on their findings. Then in June there was a further setback for the breath machines when it was revealed that nearly 200 drivers in the Carlisle area were to be given a free pardon because one of the Lion Intoximeters was suspected of being faulty.

In recent months there have been reports that a number of magistrates, and at least one judge, when trying to test the machines have been unable to provide sufficient breath to activate them. The machines are also reported to be exceedingly sensitive. The Camic machine failed to work in demonstrations for three judges of the Scottish High Court in June. These reports have raised doubts about the fairness of the machines particularly where resulted in prosecutions for unreasonably failing to supply sufficient breath. Members of the public are now suspicious of these machines.

However, they are generally not aware that, while our legal system allows evidence unfairly obtained to be used, the breath test procedure is an exception to this somewhat surprising rule. A court recently ruled that the breathalyser procedures must be followed to the letter. So it is important to have some knowledge of what to do and what to watch for once an accused is faced with having to blow into one of the 630 machines in police stations around the country.

How then does the machine work and what is the procedure that the police operator should be following?

First, a new mouthpiece should be placed on the breath tube. Then the tube which is spring-loaded should be pulled out of the instrument to at least half of its length. It should be realised that it can take all the breath that is blown into it, though some people find there is a resistance in the machine to taking air. Experienced police operators know the sound of air being correctly blown.

A warning should be given by the police operator to the accused about liability to prosecution if either of the two required breath samples are not given within three minutes of the machine being activated. Activation is indicated by a display on the machine and when the corect amount of breath has been given, a star appears. The amount of breath needed for the star to appear is one and a half litres.

If the accused cannot supply that amount of breath because of illness or lack of lung clearly to the police operator who should be asked to make a note of the reason. If the machine is giving trouble the police operator should also make a note of the fault.

In either case the police operator should use his discretion to decide which of a sample of blood or urine should be taken from the accused instead of breath. Normally the printout from the machine will be handed to the accused at the police station. If not, it must reach the accused at least seven days before the court hearing. It should be signed by the police operator and the accused. If it shows that lowest of the two breath samples was over 35 micrograms per cent, it is over the limit. However, prosecutions only take place when the lowest of the two breath samples is over 40 micrograms per cent.

With Christmas upon us motorists may wonder how much they can drink. It is not possible to be precise. Body weight, what has been eaten and drunk in the past 24 hours and the strength of alcohol to be consumed all affect this, and also the time at which the legal limit may be reached.

In addition, those with high temperatures (whether naturally or through illness) will cause the breath machine to exaggerate the breath alcohol reading. Again there are a number of people whose breath-to-blood ratio is untypical and some of these will also cause the breath alcohol reading to be exaggerated.

Generally 11-stone men who drink a couple of pints of beer, or half a bottle of red wine or 4 oz of spirits will reach the legal limit if that amount is drunk in the course of a few

CHESS

LEONARD BARDEN

AFTER the young England team's silver medal performance at the Salonica chess olympics, the next major test for our players is a new round of individual world title competitoion. While Karpov and Kasparaov have continued their interminable marathon in Moscow, eliminators are already in progress to decide Karpov's next challenger in 1986.

Under International Chess Federation (FIDE) rules, interzonals this summer at Tunis and Biel will decide contenders for a title candidates tournament at Montpelier, France, in October-November. The 48 interzonalists are partly chosen on the basis of FIDE ratings: that procedure has already exempted John Nunn, the Solonica individual gold meddallist, and Tony Miles, the long-time British No 1, from the zonal stage.

Two more British players qualified from the CGL Brighton zonal held this week at the Curzon Hotel.

Nigel Short, at 19 the world's youngest grandmaster, and Jon Speelman were the two winners from this highly competitive event.

Speelman forecast that "there will be blood . . . with only two places from a ten-man field, nobody can afford to concede draws." This was confirmed when every game in the opening rounds of both themen's and women's zonals finished decisively. Speelman himself set the tone against Jim Plaskett, another gifted player, who sacrified his queen for a couple of whirling knights and an original attack which narrowl yfailed.

White: J. Speelman. Black: J. Plaskett.

Nimzo-Indian Defence (CGL

1 P-Q4, N-NB3: 2 P-QB4, P-K3: 3 N1QB3, B-N5: 4 Q-B2, 0-0: 5 N-B3, P-Q3: 6 B-Q2, P-B4.

6 ... N-B3 intending an earlay P-K4 is a solid alternative, but Black's ai mis active piece play.

7 PxP,BxP; 8 P-KN3, P-Q4: 9 PxP,PxP; 10 B-N2, N-B3; 11 0-0, B-K3; 12 QR-Q1, R-B1; 13 N-KN5.

A bold decision, going for the pair of bishops while conceding Black improved chances of king's side tactics.

13...N-Q5; 14 NxB, PxN; 15 Q-N1, N-N5; 16 B-K1, Q-N4; 17 P-KR3, N-K6!?

Win or lose, Black's previous play committed him to this sacrifice. White must be careful, e.g., 18 PxN? QxP ch; 19 K-R2? RxR; 20 BxR, N-B6 ch!

18 B-Q2! N (Q5)-B4; 19 Q-Q3! QxP!? 20 PxQ, NxR dis ch; 21 P-K3!

Thrust and parry—21 KxN? allows NxP db ch; 22 K-K1, B-B7 mate.

21...N(B4)xKP; 22 N-R4! NxR dis ch; 23 NxB, N-B7; 24 Q-Q4!

A unique position, with the black knights entrenched in the white game. If instead 24 QxN, NxP ch; 25 BxN, RxQ ch; 26 KxR,RxN; 27 BxP ch White can draw at best. After 24 Q-Q4, NxNP (idea N-K7 ch); 25 Q-K5! though that may be Black's best chance.

24...NxB; 25 NxKP, R-B8 ch; 26 K-R2, R-KB3; 27 N-N5!

Turning the tables with the threat QxQP ch.

27...N-B8 ch; 28 BxN, N-N5 ch; 29 PxN, R(B8)xB; 30 K-N2!

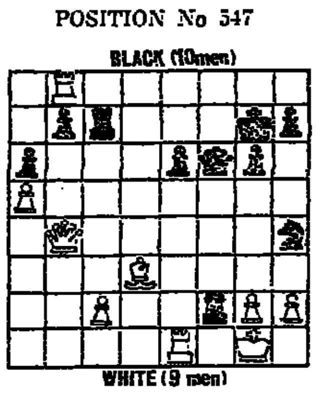
The final twist in a remarkable battle. White avoids the last trap 30 QxP ch, K-R1; 31 QxP, R(8)-B7 ch; 32 K-R3 (32 K-N1 draws), R-R3 mate.

30...P-KR3; 31 QxP ch, K-R1; 32 N-K4, R-B2; 33 Q-B4, R-K8? and Black resigned because of 34 QxR. A most imaginative game on both sides.

Brighton sponsors Computer Games Limited plan a new range of chess computers in 1985, under the brand name Grand Master and starting from a retail price of only £30. Models will be rated and endorsed by

POSITION No 547

BLACK (10men)

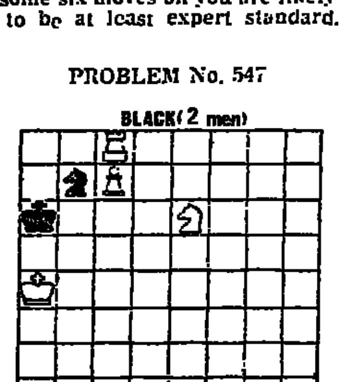


WHITE (9 men)

From Sznapik v Ostermeyer, Dortmund 1984 White (to move) continued with the spectacular R(K1)xKP. What was his idea, and how should the game go? Not an easy puzzle—if you work out the key variation till its end some six moves on you are likely to be at least expert standard.

PROBLEM No. 547

BLACK(2 men)



WHITE(4 men)

White mates in four moves, against any defence. For a Christmas puzzle, try this miniproblem by E. Pogojantz which looks deceptively easy for instance White can play 1 R-R8 ch and 2 P-Q. But the mate in four is a surprise and has in its time defeated some solvers for many hours.

Seasonal good wishes to all chessplaying readers.

BRIDGE

E. P. C. COTTER

MY FIRST hand to day occurred in a pairs event, and this is what happened at one table.

N
♠ Q 9 8 2
♥ 4 3
♦ 8 5 3
♣ A Q 10

W
♠ A 10 6 3
♥ A 7 5
♦ 6
♣ K Q J 10 2

E
♠ J 7 5 4
♥ 6
♦ 6 5 4 3 2
♣ A 9 7

S
♠ K
♥ K Q J 10 9 8 2
♦ 6 4
♣ K J 8 7

With neither side vulnerable West dealt and opened the bidding with one club. North overcalled with one spade. East passed and South jumped to four hearts.

West led the club King on which East dropped an encouraging nine. West now switched to his six of diamonds, an obvious singleton which was taken with the Ace on the table, and the declarer at once returned with a trump. Winning with his Ace, West switched back to clubs, leading the two, a suit preference signal for a diamond return, though East did not require that reminder. He took his club Ace, returned a diamond for his partner to ruff, a fourth trick which defeated the contract.

East-West were leading Ace from Ace-King, so West's lead of the club King marks his partner with the Ace. In that case for his opening bid West has to hold both major suit Aces. Had the declarer reasoned on these lines he would have seen the road to safety. At trick two, instead of playing trumps he should have returned the King of spades, discarding his remaining club. West takes with the Ace, but in to give him the diamond ruff.

A deal in which this play occurred was described by Ely Culberson 50 years ago, and he christened it as the "Coup Without a Name." Modern writers have given it a more *meaningful name*, the Scissors Coup—it cuts the enemy lines of communication.

The second hand turned up at rubber bridge:

N
♠ K 8 4
♥ Q 6
♦ A K Q 10 2
♣ 4 3 2

W
♠ A 7 2
♥ J 5 3
♦ 7 4
♣ K 10 8 7 6

E
♠ J 10 9 3
♥ A 8 7 2
♦ 8 6 3
♣ 9 5

S
♠ Q 6 5
♥ K 10 9 4
♦ J 9 5
♣ A Q J

North dealt at game to North-South and bid one diamond, and his partner gave the natural response of one heart. North could only rebid two diamonds but South was eminently correct in jumping to three no trumps, which was passed all round.

West led the seven of clubs and East's nine was taken by the Queen. The declarer led his four of hearts to the Queen and Ace and East returned his remaining club. South won with his Ace and ran five diamond tricks, throwing a low spade and a diamond Knave from hand. East threw three spades and West parted with two spades and the five of hearts. The ten and was defeated.

The declarer missed the winning line. At trick two he should cross to the diamond ten and return the six of hearts. If East ducks, the King wins and a switch to spades sets the ninth trick. This manoeuvre is known as Avoidance.

If West holds the heart Ace, he cannot continue clubs with advantage and South has time

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Saturday December 22 1984

Life returns to normal

YOU ARE AT HOME, in the midst of a jovial Christmas dinner. You have just scoffed a final mouthful of turkey, washed it down with another glass of claret, and adjusted your party hat. You strike a match and put it to the Christmas pudding. Horror: the flame shoots upwards and outwards, sets fire to the bunting, spreads to the curtains, catches the tablecloth, and consumes every stick of furniture in the dining room. Amazingly, the blaze leaves the house itself and everybody in it completely unharmed. Is this a miracle or a misfortune?

Neither miracle nor disaster is the sort of word which passes easily through the tightly-pursed lips of international civil servants. But within the stifling linguistic conventions of the organisation for Economic Co-operation and Development, the statement that "the overall prospects for output and inflation are now as good as, or better than, at any time since the watershed year of 1973" sounds almost hiperbolic. In the case of Britain, the assessment in this week's OECD Economic Outlook is for "a longer period of sustained growth—some five years—than witnessed at any time in the post-war period."

After the booms and busts of the world economy in the past decade, and after Britain's dismal 30-year record of stop-go cycles, the genuine prospect of an economic recovery with no recession just behind it can easily be accounted a minor miracle; and this is the view increasingly being taken by stock markets throughout the world.

The markets' attitude is understandable enough. Wall Street, Tokyo and even London—before it fell victim to Organisation of Petroleum Exporting Countries jitters—have nearly hit or exceeded historic highs this week. A bullish case for equities is easy to sustain with U.S. interest rates declining, profits rising in relation to national incomes to levels last seen in the 1960s and, if the OECD is to be believed, further improvements for profits in sight.

When it comes to policy-makers, however, the touch of self-satisfaction evident in the OECD's report is harder to justify. For there is another way of looking at the minor miracle of continuing recovery with no succeeding recession. The OECD expects underlying economic growth (adjusted for the effects of Britain's coal strike) to slip during the 18 months ahead in every major country except France. Even in France, unemployment is set to continue rising steeply.

As far as Europe is concerned, therefore, the apparent economic miracle—sustained recovery with no recession in sight—can just as easily be viewed as a misfortune: *sustained recession with no hope of real recovery.*

Returning to our little Christmas parable, Europe is now in the position of the householder who has suffered a limited, but nonetheless destructive, accident. Life is now returning to normal; unemployment is broadly stabilising, economic growth rates in many countries are returning to their pre-1980 trends of 2 to3 per cent a year and the macro-economic performances of the U.S. and Europe are beginning to converge. But unlike the U.S., whose economy has genuinely recovered in the past two years, Europe appears to have permanently lost the output and jobs which would have been created if the deep recession of 1980-82 had not occurred.

This loss of output, and jobs, which looks like saddling the EEC as a whole with a permanent unemployment rate of 10½ per cent and Britain with a rate of 11½ per cent on internationally-adjusted definitions, simply cannot be accepted with the equanimity being shown by many world leaders.

Theirs criticism does not imply that there are quick or easy solutions to Europe's unemployment problems, or to the continuing eelments of world-wide economic imbalance which still endanger even the modestly favourable performance forecast by the OECD. Indeed, this week's Outlook pours a certain amount of cold water not only on Keynesian arguments for demand reflation, but also on the widespread hopes among European leaders that supply-side improvements will create large numbers of jobs.

The fact remains, however, that the world, and particularly Europe, must strive to achieve a significantly better economic performance in the medium-term than that forecast by the OECD. The key to any sustained improvement in underlying growth rates lies in the behaviour and expectation of individual businessmen, workers and trade union leaders. But governments, too, must play an active role. They must put into practice more of their pious resolutions about improving competition, cutting back on protectionism and rationalising their systems of taxes and regulations. They must also look to their macroeconomic policies, particularly where, as in West Germany, inflation is under control but underlying growth appears to be declining. Nobody can afford to be complacenta about the state of the world economy or about the policies being pursued by major governments — least of all the OECD, an organisation whose *raison d'etre*, is to suggest ways of improving economic performance through international co-operation, not merely to describe what various governments are doing in tones modulated mainly by varying degrees of approval.

LEADERS AND LAGGARDS 1984

The bull market charges on

By Stefan Wagstyl

THIS WAS the year the London stock market defied gravity.

In the face of the most bitter industrial dispute for years the market climbed to all-time peaks and witnessed a record wave of takeovers, led by BAT Industries which spent more than £1.6bn on Eagle Star and Hambro Life. Moreover, it managed to absorb an unprecedented sale of public assets by the Conservative Government, culminating in the world's largest new issue—British Telecom.

In January, well before the miners' strike began, several forecasters said that the bull market which had started in 1979 had run far enough. Yet this week, 10 months into the strike, the Financial Times Ordinary index, hit a record peak of 942.6 on Wednesday, 21.5 per cent higher than on January 1. On the same day the FT Actuaries All-Share Index peaked at 586.60, up 24.7 per cent on the year.

Furthermore, the market had to overcome a formidable setback when, between May and July, the All-Share fell back 13.4 per cent to below end-1983 levels. This was triggered by an escalation of the Iran-Iraq war, the impact of the near-collapse of Continental Illinois Bank in the U.S., and, at home, two dock strikes and an unexpected jump in government borrowing which sent up interest rates.

So what explains the stock market's resilience in 1984?

The most important reason was a growing awareness of the strength and persistence of the economic recovery. Corporate profits, which increased 25 per cent in 1983, rose by an estimated further 22 per cent this year.

Confident companies paid higher dividends—an estimated 15 per cent more on average than in 1983. Shares began to look cheap in terms of yields as well as earnings.

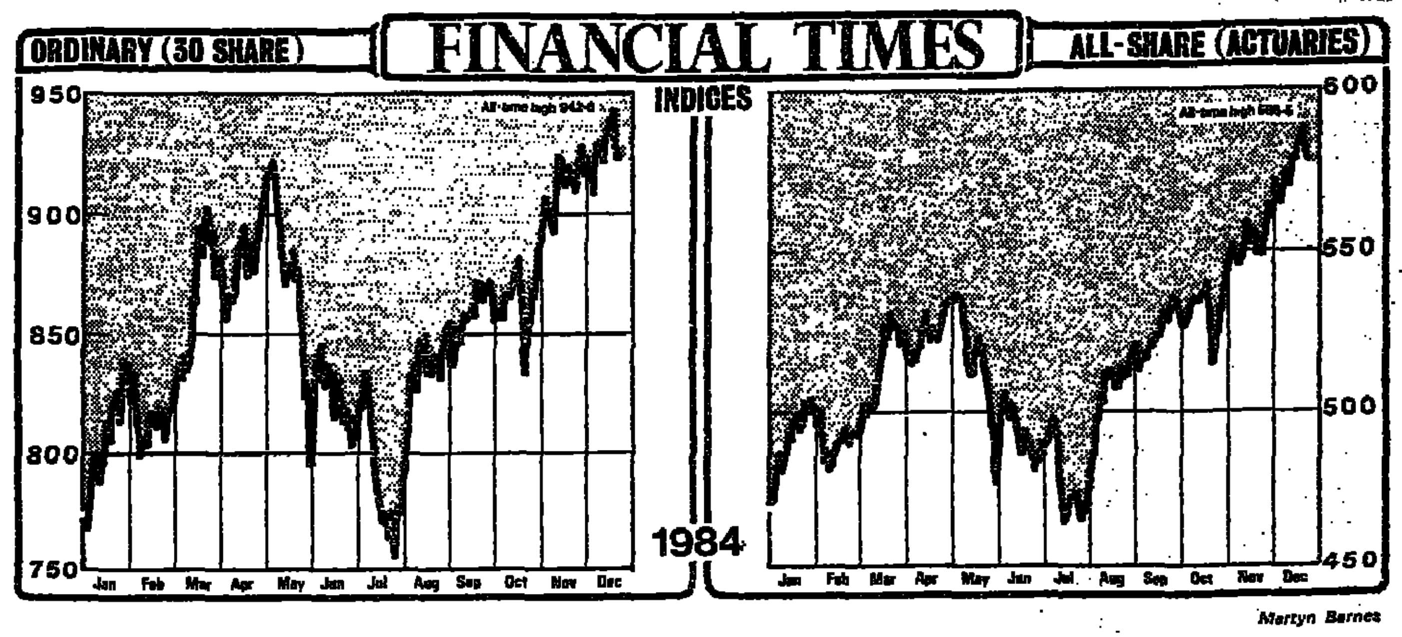
Bigger profits brought more cash into corporate coffers, encouraging companies to unleash a torrent of takeover bids. In the first three-quarters of the year the total value of acquisitions of industrial and commercial (not financial) companies totalled £3.6bn, against £2.3bn for the whole of 1983, which was itself a record year.

Underpinning the market was the strength of demand from UK institutions, which bought an estimated £4.5bn of equities against £2.4bn last year, more than making up for a decline in overseas purchasers, who were discouraged in 1984 by the weakness of sterling.

This demand from pension funds and insurance companies confounded fears that the year's capital issues would swamp the market. In the event, capital raised by the private sector fell from £2.8bn to an estimated £1.8bn, largely because there were fewer rights issues.

British Telecom, Enterprise Oil and Jaguar, as well as Reuters from the private sector, headed the list of 118 new listed companies. The Unlisted Securities Market welcomed a record 100 new entrants.

Against this vibrant background, what were the best and



Martyn Barnes

THIS YEAR'S WINNERS AND LOSERS

CAPITALISED AT OVER £70M ON JANUARY 1

	% change on year		% change on year
Booker McConnell	176	Johnson Matthey	−73
Dixons Group	138	Barratt Developments	−53
Bunzl	115	Acorn Computer*	−48
J. Hepworth	111	Oceonics Group	−46
Cookson Group	101	BL	−38
BAT Industries	97	Ultramar	−33
Dee Corporation	92	BSR Internationl	−32
Burton Group	92	Thorn EMI	−30
Argyll Group	85	APV Holdings	−29
Minet Holdings	78	Clyde Petroleum	−28

* USM

Source: Datastream

CAPITALISED AT UNDER £70M ON JANUARY 1

	% change on year		% change on year
Dura Mill	739	Espley Trust	−85
C. H. Bailey B shares	435	Adam Leisure*	−84
Pentland Industries	393	Cifer*	−83
Cambrian and General Capital	294	Arlen Electrical	−78
Samuelson Group	263	Pavilion Leisure	−78
Illingworth Morris A Shares	252	Lyle Shipping	−77
Microfilm Reprographics*	219	Star Computer	−76
W. Tyzack, Sons and Turner	208	Reardon Smith	−74
CASE	[illegible]	London and Overseas Freighters	−74
Dunhill	207	RileyLeisure	−73

* USM

Source: Datastream

worst performing shares of the year?

As the tables above show, the steepest fall in share price among large companies was suffered by Johnson Matthey, the metals to finance group, after the collapse of its banking operations.

Financial shares as a whole had a difficult year, falling well behind the rest of the market. The merchant banks, which had been the best performing market sector of 1983, turned out to be the worst sector of 1984 as investors began to have second thoughts about their role

The financial conglomerates themselves went out of fashion —Mercantile House (a great favourite of 1983) is one of the worst-performing shares of 1984, falling 26 per cent.

The brightest sector among the financials was insurance brokers, where Minet Holdings, helped by takeover rumours made the top 10. They were buoyed by the higher sterling value of their U.S. income and are slowly getting over the impact of the scandals at Lloyd's.

And in other corners of the financial community, investment trusts this year belied their often sleepy reputation. Cambrian and General Securities, run by Wall Street arbitrageur Ivan Boesky, was among the top performing small companies.

Changes in the City had at least something to do with the spectacular performance of one of the year's biggest winners, BAT Industries. The market liked its move into financial services, with the acquisition of Eagle Star and Hambro Life—and it was pleased with the way that the group has been getting its house in order by tidying up some of tis earlier, less successful diversifications. Currency swings were also a big bonus. BAT shares rose 97 per cent, and now have a market capitaliation of £5.2bn.

Two more companies among the top performing shares of 1984 have been doing well in these moves away from the cigarette business. Bunzl, traditionally a maker of cigarette filters, is building up by acquisition paper distribution chains in the UK and the U.S. Dunhill is using its famous brand name to sell luxury goods.

Food retailing and manufacturing companies thrived in the bull market of 1984, not least because of takeovers. Booker McConnell, the food distribubution and production group, won the prize for the biggest share price increase of the year among large companies, achieved by resisting a £232m bid from Dee Corporation. Dee itself found time to by International Stores from Bats and was also among 1984's leading shares, along with another fast-expanding and acquisitive supermarket company, Argyll Group.

Stores, meanwhile, were another bright feature among consumer-oriented companies. Dixons, the cameras and electricals group, won much support for its hard-fought takeover of Currys.

J. Hepworth, creator of Next and fellow fashion retailer Burton Group have both been credited with bringing a new sense of style to the High Street.

In electronics, and electricals, a shake-out turned some one-time market favourites into the laggards of 1984. BSR, last year's star stock in price terms, was one of the worst performing shares this time among large companies. Thorn EMI made the same list mainly because of market worries over the wisdom of its Inmos acquisition, funded by a rights issue.

While Computer Systems and Engineering (CASE), which designs electronic networks and microfilm bureau Microfilm Reprographics are thriving, some other smaller electronics companies have fallen out of favour, generally because of intense competition. Among this year's market laggards are: Acorn Computer, Oceonic Group (survey equipment), Cifer and Star Computer (computers), and Arlen Electric, developer of a new kind of switch for fluorescent lights.

The leisure sector is as volatile as electronics. Two of the worst performing smaller company shares of 1984 were victims of changing tastes — Adam Leisure, which distrbiutes the now unfashionable hand-held computer games, and Riley Leisure which bought a company making small snooked tables for the home only to see demand evaporate.

But fashions favoured Pentland Industries, whose U.S. sports shoe distributor Reebok is sprinting ahead in the wake of the jogging boom, and family-controlled Samuelson Group, a film equipment hire company profiting from the current upswing in British film making.

Oil shares had a difficult year, reflecting the weakness of the price of crude on the world's markets. Ultramar is among the worst performing stocks of 1984, largely because of the problems of its North Amercian downstream operations. Among smaller companies, explorer and producer Clyde Petroleum joined the year's laggards.

The stock market this year generally turned away from companies in smokestack industries—some of which were among last year's favourite stocks when the cyclical recovery was in full swing.

But investors did acknowledge outstanding performances, notably the transformation of Cookson Group, the metals and alloys company. Formerly known as Lead Industries, Cookson has made acquisitions and disposals so that it now serves a wider range of customers.

Among small companies, there were hard-earned profit recoveries at four groups in traditional industries—AI Industrial Products, Stoke-on-Tren t makers of industrial ceramics, Illingworth Morris, Britain's largest wool textile manufacturer which suffered from years of management turmoil, and two Sheffield engineering companies, W. Tyzack, Sons and Turner, and James Neill, where Mr David Abell's acquisitive Suter Group has built up a stake.

However, process engineer APV Holdings, a victim of tough competition, is among the laggards.

In another old industry, shipping, three companies were unable to overcome another year of depression in their world markets—Lyle Shipping, Reardon Smith and London and Overseas Freighters are all in our table of stock market laggards.

The property sector produced a horror story for the shareholders of Espley Trust, a group built up by Mr Ron Shuck since 1981. Mr Shuck resigned mid-year amid market worries about the company's debts and was replaced by "company doctor" Mr Ronnie Aitken who is putting through some rapid asset sales.

Investors in Barratt Developments had to endure a slower agony, as the company was forced to cut its building plans drastically in the face of falling demand. Like Espley Trust, it is among 1984's worst performing shares.

The remotest corners of the market produced the most curious stories. The best performing small company share of the year was Dura Mill with an 739 per cent rise. Stock in this Lancashire cotton mill rose after entrepreneur Mr David Burne bought a controlling stake through his priate company Corporate Financial Services.

Just behind Dura Mill was C. H. Bailey, a ship-repairer with interests in an East African game park and a hotel in Malta, in which chairman Mr Christopher Bailey has the biggest stake. The shares shot ahead when a Kent shipbroker, Mr Wally Bateman, and Mr Ray Raymond, through his building company North Essex Builders, bought big holdings. Shareholders who want to know more should go to the annual general meeting—in Cardiff docklands on New Year's Eve.

By contrast, among the market laggards of 1984 is Pavilion Leisure, owner of Glasgow Pavilion Theatre, whose shares leapt last year after Mr Michael Shellim and associates bought a stake.

Market interest fell away when a bid failed to materialise, and Pavilion said this week that the exact ownership of the Shellim shares was a "mystery."

Finally a company whose ownership is very public. The quixotic band of shareholders who own the tiny part of BL not held by the Government saw their shares rise in 1983 on hopes that they might get preferential treatment in the Jaguar flotation. Alas, loyalty went unrewarded and the stock tumbled back.

JMB's bullion business

From Messrs P. Brenan and M. Harper

Sir,—In his open letter to the Chancellor of the Exchequer, Dr David Owen (December 20) sets out some estimates which, he believes, show that the bullion busniess of Johnson Matthey Bankers Limited has lost money and may continue to do so.

Dr Owen's figures, and therefore his conclusions, are wrong. The newly-appointed directors now have sufficient information to confirm that JMB's bullion business not only has been profitable but remains so. The losses are overwhelmingly attributable to bank lending of poor quality. Lending money is easy. Lending in the confident expectation of punctual repayment is another matter.

The new board, with able help from the staff and from other banks, is making progress. It would be a great pity if the job were made more difficult by wrong conclusions based on incorrect data.

Patrick Brenan and
Martin Harper.
Johnson Matthey Bankers.
5 Lloyds Avenue, EC3.

A risk-reward enterprise

From Mr J. Sangster.

Sir, — In a free-market economy, even in a social market economy, banking is still a risk/reward enterprise. It differs, however, from most other enterprises in that the bulk of its liabilities are deposits from the public. Hence the panoply of banking supervision and the emphasis on capital adequacy. The supervisor's role is to protect the depositor not the shareholder.

If, however, an allegedly Conservative government expects the supervisor to be examiner of a bank's loan portfolio, it should perhaps consider the Soviet system, where every banking office is a branch of the central bank—with all that imples for speed, efficiency and scope for bureaucratic error. Even in countries where a conservative government would prefer to look for a model, there is litle encouragement to believe that banking can be an entirely risk-free business.

All that banking supervision can basically do is to see that banks can, or can be taught to, supervise themselves, and to have an adequate fire-fighting service for depositors when trouble does occur. The sooner the illusion that it can do more is dispelled, the better.

John L. Sangster.
Mole End.
High Molewood, Hertford.

Letters to the Editor

Protecting the individual

From the Secretary-General, Life Offices' Association

Sir,—The article of December 5 under the headline "Only life companies should market personal pensions" has unfortunately led to a misunderstanding of the associations' response to Norman Fowler's personal pension proposals published in July.

The misunderstanding, reinforced by the headline to the follow-up article on December 10 "Why life companies seek to be sole personal pension providers" was clearly evidenced in the letter from Mr D. T. Hall, published on December 15.

What the two life associations did say in their response to the Government's proposals was that only those institutions which were subject to controls no less rigorous than those to which insurance companies are subject should be able to accept investments in personal pensions. It makes sense to build on the experience which led to the network of safeguards for investment through life assurance companies, rather than devise a parallel system. Thus, other institutions would be free to transact personal pensions through subsidiary life assurance companies, a number of which have already been established.

The safeguards we are seeking are not for the benefit of life assurance companies but for the protection of individuals wishing to take out personal pension plans.

T. H. M. Oppé.
Aldermary House,
Queen Street, EC4.

Raising revenues from pensions

From Mr M. Stevens

Sir,—I consider that the fairest system for increasing revenue from pension taxation would be to only allow basic rate tax relief on all contributions. This would give equal tax relief to all.

If the lump sum was to be taxed, this could be done in line with the income tax thresholds and consequently varied each year with any change in the Budget.

The result being that the first £14,600 plus the single person's allowance (£2,005) being completely tax free. The remainder being taxed at the difference between the basic rate tax and the higher rate.

Michael J. Stevens,
8, Hillside Gardens,
Woodmancote,
Cheltenham.

Increase the lump sum

From Mr C. Beney.

Sir,—In all the discussion about the taxation of pension lump sums, I have not seen any suggestion that the lump-sum facility should be increased. Indeed, it has been suggested that it might be abolished, and none of the pensions money made available to the pensioner otherwise than as an annuity. I question why the lump sum should be limited at all. At present of course it is a tax-free concession and if not limited it would result in rather less tax in total being collected from the pensioner over his remaining lifetime.

The solution is to tax most (or all) of the lump sum when it is paid but to remove (or very greatly increase) the limit on how much of the pension may be commuted to a lump sum. The benefits of this are significant. The state gets the tax many years earlier and almost certainly gets rather more in total than at present. The pensioner gets access to the money and can plan his use of it to suit his own ideas for retirement. He can keep it for that sense of financial independence, buy a new business, or spend more (or less) in the early years of retirement to suit his planned lifestyle. With more people retiring early more active and flexible retirement wil become more common and more financial flexibility will be demanded. This proposal would not prevent the employers topping up for inflation, partly or fully, if they wish, exactly as they do now. Nor would it prevent those who wished simply drawing a regular pension exactly as they do now.

The proposal would benefit purchasers of portable pensions and members o f small self-administered schemes as much as the more common final salary company members. It should result in the removal of some of the paternalistic overtones of the compulsory annuity, and should make the individual's retirement entitlement more truly his.

C. Beney.
12, Woodlands Road,
Bushey, Herts.

Charges and trusts

From Mr N. Lewis

Sir, — As an investor in the TR Pacific Basin Investment Trust, I am dismayed to read that Touche Remnant (TR) has joined the ranks of investment trust management groups moving to raise charges. It also disturbs me that TR has apparently only sent details of its proposals to certain institutional shareholders.

On my calculatons, over the past five years the TR trusts have in aggregate slightly underperformed the relevant market indices. I see no reason to believe that higher fees will result in any better performance. Shareholders would probably be better off with their trusts' portfolios run on an index-matching basis; this would cost much les than even the existing level of fees.

TR disingenuously claims that the higher fees will increas the trusts' net asset values due to the enhanced value of their stakes in TR. The fact is there are no free lunches. It is true that management fees payable are not formally capitalised as a liability in measuring net asset values (though perhaps they should be). The value of an investment trust to its shareholders, however, is actually reduced by the capitalised value of any increase in charges. This will show up as higher discounts which are likely to more than cancel out the increase in the value of the trusts' stakes in TR.

Under the proposals, some of the TR investment trusts, including, I suspect, TR Pacific Basin, face disproportionately high increases in fees. I wonder whether the boards of these trusts, faced with the proposed huge increases in fees, even discussed the merits of such alternatives as moving to another management company, running their portfolios on an indexed basis, or liquidating the trusts. I doubt it. I do not believe the directors of these trusts can have acted in their shareholders' best interests. Shareholders would be well advised to elect in future to represent them directors who have not been chosen by TR, and who have a significant stake in the shares of their trust.

N. H. Lewis.
24, Trigon Road, SW8.

Phasing out the £1 note

From Sir John Wraight.

Sir,—With respect, it is ridiculous of Lord Glenarthur, the Government spokesman (December 11), to speak of tatty, dirty £1 notes as a reason for phasing them out. The main reason why our £1 notes are dirty today is that the Bank of England, presumably for reasons of economy, has for some years now not been replacing soiled notes as regularly as it used to do.

Quite apart from the inconvenience of having to carry around more coins in our pockets, I am surprised that the Chancellor, with his declared priority for conquering inflation, has not considered the inflationary psychology which will be encouraged by the loss of the £1 notes.

Paying for something by having to take a note out of one's wallet is vastly different, for many people, from paying with a base metal coin from among one's change. Having only a £1 coin will tend to debase the currency.

(Sir) John Wraight.
35, Jameson Street, W8.

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INTERVIEW WITH NICHOLAS RIDLEY

Hard times for a Tory strategist

By Godfrey Hodgson and Malcolm Rutherford

THIS HAS not been the best of weeks for Mr Nicholas Ridley, Secretary of State for Transport.

A back-bench revolt forced him to delay his Civil Aviation Bill. Tories, concerned to preserve the green and pleasant fields around Stansted, joined hands with Labour members who think the next major airport should be in the North. Doubts about the Laker litigation in the U.S. compelled him to delay the privatisation of British Airways.

But if, as a Minister, Mr Ridley has been embattled, as Mrs Thatcher's trusted ideologue and strategist he was in relaxed and philosophical mood when we spent an hour and a half with him in his room in the ziggurat in Marsham Street. He shares it with that other target of back-bench fury, Mr Patrick Jenkin, the Environment Secretary.

As a political strategist, Mr Ridley was remarkably upbeat. Britain's economy is growing faster than at any time since 1066, he said. He believes the Labour Party may never capture the government of this country again.

But its demise leaves Mr Ridley worried about what he sees as Britain's greatest political problem: the division between the prospering South of England on the one hand and the industrial North, Scotland and South Wales on the other.

We began by asking him about his rationale for privatisation. "One of the important things," he said, "is to separate out your political and social objectives from your managerial ones. That's exactly what I'm *doing with the buses.*

"I accept immediately," he said, "that there are housing estates where there are few people who don't have cars, and rural villages, and sparsely settled areas where it isn't economic to run a bus.

"So instead of saying: 'Let's have state-owned or municipally-owned loss-making bus services,' I say, 'Let us identify what those routes are, let us obtain value for money by putting them out to tender, and let us pay the subsidy, not to the bus company, but to the contract for the provision of the routes that we want.'"

In this way, Mr Ridley said, you could show the public exactly what the subsidy for each route was, and our elected representatives could then make a judgment as to which routes were good value for money or not.

How far would he push the policy of privatisation?

He was a pragmatist, he insisted. He had never suggested, for example, that it would be impossible to privatise the railways. It was too difficult to cost their operations sufficiently accurately to know which lines, or which trains, were genuinely profitable, and where the subsidies were really going.

"If one left the whole thing to the market," Mr Ridley said, "there would not be much railway." He denied that he was biased against railways. People wanted the railways to continue, he said. "The political reality is that we have now got about the size of railway we can afford, and that can only be justified in terms of politics."

What about coal, then? He did not advocate privatisation of the mines, he said. "The coal industry must be allowed time to get over these traumas."

Would privatisation not tend to produce a two-tier society, *where for example businessmen* would have fast trains with telephones and good meals, and the rest of us would see the standard of service declining?

"It seems to me," Mr Ridley said, "that if you want to pay for a better standard of service you should be able to do so." It was just the same point as costing everything out, and charging more at the top of the scale for people who wanted extras, while identifying exactly what you are paying in subsidies to those who could not afford the full cost.

He conceded that it was difficult to know just what the standard of service ought to be. On the one hand, to improve the cleanliness of the frequency of trains costs more, and implies a rise in fares. On the other hand, these improvements would attract more travellers, and so pay for themselves. In any case, these were essentially managerial questions.

It was put to him that this policy might create greater social divisions. Mr Ridley did not agree. "I believe that those who wish for extra things are perfectly entitled to earn more money to pay for them."

He was delighted that so many people could now afford the air fares for holidays in the Mediterranean. "I don't think it *increases social tensions.* And if it does, the way to do something about it is to increase the standard of living. My whole philosophy is that if only the nation were richer, then more and more people could do the things that perhaps they envy at the present time."

He recalled the late Sir Edward Boyle saying to him, when he was Boyle's PPS, that the greatest change in Britain was that society used to be a pyramid, with the great mass of people at the bottom, but now it was a diamond, with a few at the top and bottom, and the enormous number in the middle.

"Why does one seek for industrial efficiency?" he asked with some passion. "Why do we try to cut down on subsidies? Why do we want privatisation, and competition, things I'm known to be a fighter for?

"I do it because it increases the gross national product," he said earnestly, "and because that in turn enables more and more people to get out of sub-*standard conditions and climb* up the ladder so that they can enjoy the good things we enjoy. It's a *benevolent* reason!"

Was he saying that economic growth was the way out of the trap of class politics?

"I'm not a Socialist," Mr Ridley said, perhaps unnecessarily. "I grew up on Tyneside. And I've always thought that trying to pretend that the class war had to be fought, was one of the worst inhibitions, not only to economic growth but to social harmony."

But had the class war not returned in the past two years? Mr Ridley said he thought not. There had been a polarisation of politics, but not strictly on class lines.

All sorts of people wanted to fight the Government. "One thinks of some trade union leaders, the NUM of course, some Left-wing councillors, environmentalists, pseudo-Marxist Greens and the like." But they did not come from any one clas, certainly not from the old industrial working class.

If there was a strong sense of class conflict in the land, he asked, why was it not to be found in his constituency (Cirencester and Tewksbury), where there was a lot of industry, not only stockbrokers, and "there were only 5,000 votes for the fighter of the class war?"

We asked about his expeience as a minister of the machinery of government and about the near-paralysis that seemed to inflict it when there were major investment decisions to be made. We mentioned the Tunnel, Sizewell B . . . and Stanstead.

Mr Ridley said the trouble was that the authors of the Town and Country Planning Act of 1947 saw planning as something quite separate from the political process. "You can't really expect the politicians to sit mute and accept whatever hand down," he said, especially when — as in the Stanstead took different views. (By "the politicians" it was evident that he meant backbenchers — not Secretaries of State!.)

How did he fel about the criticism he was getting over Stansted and other issues? "Those who have to do things will always take flak," he answered, perhaps with less than total stoicism. "It is those who do nothing who lead the quiest life." I think a government's job is to govern, and you will get criticism along the road."

What, then, about unemployment, which many in all parties think is our greatest problem?

"They said monetarism would noip rovide growth," Mr Ridley said. "Well, it has." The last two years and next year together would see the highest rate of economic growth in British history since 1066, he said.

We were paying the price for not modernising our industries in the 1970s and the 1960s. Eventually, the drain of *jobs lost from the old in*dustries would ease off. In the meantime, all we could do was keep on at the humdrum task of making it easier to start businesses, and easier to find new jobs.

The Tory Party was once the party of the status quo, he said. Now it was the party of radicalism, and at the same time the more compassionate party.

"I think tax cuts are the biggest way to reduce unemployment." Mr Ridley concluded.

Mr Nicholas Ridley, Transport Secretary

The cost of Christmas

The little things that add up to a lot

By Arthur Sandles

"HO HO," breathed Santa softly as he settled down into the deeply cushioned armchair. A light snow had now replaced the blizzard of the earlier part of the night and, through the branches of the tree in front of the window, the apparently old gentleman could see the outline of other houses, an occasional glow of light revealing other last-minute festive preparations.

Taking his port from the table at his side, Santa eased his beard downwards, revealing a somewhat more youthful face than might have been expected. Bill was at heart a traditionalist. Each year the outfit was dragged from the loft, each year a little dustier and mustier. His wife Helen would simply raise her eyes to the ceiling, and his children groan in the hope that none of their friends would find out . . . but Bill was determined that Christmas should be, well, Christmassy.

In one way at least the run up to these festive preparations had been traditionally British. It had been a period of rising panic.

The growing fashion for ones nearest and dearest to be specific about their present requests had vastly increased the problem of shopping, since no one ever seemed to stock precisely what was being sought.

It had been a small incident in mid-December which had set Helen and Bill on what they *now saw as an unfortunate* train of thought. Driving home after visiting friends living some 100 miles away they had stopped for petrol. To pay the £18 required Bill had looked to his credit card wallet. It was missing.

The full horror of a pre-Christmas week without the assistance of Messrs Access, Visa, Amex or Diners, not to mention cheque guarantee card or magic cash machine card dawned only seconds before the realisation that Christmas was going to be expensive. Helen, thank heavens, actually had some pound notes on her, and the wallet turned up later in a brief case anyway, but the thought had been planted and the cost counting started.

It was the little things, Bill found, that meant a lot. The Christmas tree at £1 a foot, "and a bargain at that mate;" the satsumas at 25p a pound, that would probably go soggy with age because everyone was *gorged on Marks and Spencer* de luxe mince pies at 69p for four. There had been the lemons (five for 30p) to go with the gin (£5 duty free) that Bill had bought on a fortunate overseas business trip.

"I think I'll get a goose this year," *Bill had said in a fit of* festive enthusiasm. The butcher had greeted him as the best bit of holiday news he had had this week. "Certainly sir, £1.80 a pound. That's before its dressed of course. A 17-pounder will come out at about 10-12 pounds ready for the table." The retreat had been embarrassing, but the supermarket's 99p a *pound Turkey, fresh and oven* ready, was a little easier on that rediscovered wallet.

It was as he stepped into the car that Helen had called out to him to pick up the potatoes whose weight had proved more of a problem than their cost (10p a pound). Sprouts at 20p a pound were not too much of a shock nor the Cox's at 35p a pound. Bill's surprise had been the discovery of just how heavy chestnuts were — there aren't many to a 65p pound.

The very thought of the presents sent Bill sipping at his port again (Warr's Warrior at £4.70 a bottle from Selfridges where he had also picked up some Mercier Champagne for £7.57). On two things at least he had *hesitated and almost* lost. Helen had wanted a new 'phone (10 memories from Dixons at £44.99). Justin a Walkman (Sony WM 22, £29.99 at Greens), and young, but ever growing, Emma a clock/radio/cassette (Ingersoll £37.99 also at Greens).

As final decision day approached, Bill saw the stocks of all these dwindling fast and leapt in to make the final purchase just in time — indeed the Walkman was the last in stock. He could only pray that the additional £100 or so which had gone on perfumes, brooches, sweaters, records, books and wrapping paper would not produce the momentary pained expression and then a kindly "thank-you, Dad" that had greeted last year's selection.

A whisker of white from his beard floated gently across the surface of the drink. Bill gave the logs (mainly beech, £30 a ton) a kick and the flames rose again to fill the room with glowing light. He reflected on the *queuing that he had done with* other City gents at Thornton's to buy his secretary her chocolates (£8.69 for a 2 lb box); the success he had scored in finding the silver threepenny pieces for the pudding underneath the arches at Charing Cross *(40p each for real silver, 30p* for the later 50 per cent silver pieces); the shock of buying 120 second-class postage stamps at a time; and finding that a box of crackers in Harvey Nichols costs more than £10.

He took another bit of mince pie and thought, just briefly, of what Christmas might bring to him. There had been that sharp intake of breath when he had mentioned the prospect of buying himself a reechargeable vacuum to clean the cars.

An arm slid round his shoulder. A female hand removed the remaining half of the mince pie from his fingers and then patted his stomach. "Now then Santa, we want to be able to get back up the chimney don't we." Helen swung round and settled onto his lap.

"Ho. Ho," said Santa.

HELEN AND BILL'S CHRISTMAS MEAL

smoked trout (£8.95)
turkey (£12.43)
stuffing (£2.00)
sprouts (0.80p)
potatoes (0.50p)
peas (£1.12)
bacon (£1.68)
chipolatas (£1.10)
Christmas pudding (£3.00)
brandy butter cream (£1.02)
Champagne (£7.75)
red wine (two bottles) £6.70)
Montbazillac (duty free from France during holidays (£1.50)
TOTAL £50.55

(Clearly the list does not allow for left-overs or for the extras like gravy, bread sauce, redcurrant jelly etc. The pudding figure is notional. It was home made in September.)

Weekend Brief

Portrait of a recession

"IT IS extremely sinister and depressing," says Sir Michael Levey, director of the National Gallery, summing up the arts establishment's reaction to this week's news that the arts are the latest victim of the Government's current policy of making enemies in high places.

Purchasing grants of the major galleries and museums are to be cut next year while the National Theatre and Opera companies will be expected to struggle on with a cash increase of less than inflation. The fact that more money has been made available to keep the roof from leaking hardly compensates Sir Michael for the fact that he will have £2.75m to spend on new acquisitions at a time when a picture by a relatively unknown artist like Schiele can sell for over £3m (at Sotheby's this month).

"The Government seems indifferent to what we do," says Sir Michael, who has spent much time recently with the Minister for the Arts, Lord Gowrie, explaining why the gallery needs higher funding to stay in line with the inflation of art at auction. The result has been a 17 per cent cut in his purchasing grant.

He has a shopping list of artists: the gallery needs a Goya full-length portrait: a Chardin still life: something by Munch. Above all, it wants a Gauguin. By chance the Lefevre Gallery in London has one for sale at the moment—with a U.S.$7m price tag.

With his £2.75m Sir Michael is unable to afford one masterpiece. What makes him even more depressed is the Government's clampdown on finance to the aid of the gallery, topping up its resources. The National Heritage Memorial Fund has had its money for next year frozen at £3m, as against the £11m it asked for, and only £1m is available for acceptance of works of art in lieu of tax.

It was this announcement that particularly incensed Sir Peter Wakefield, director of the National Art-Collections Fund. "The law is being rendered nugatory," he asserts. In theory works of art can be offered to the Treasury in lieu of tax. In practice the Government prevents such a wonderful opportunity for the heritage to be enriched at no expenditure cost, by allowing only 25 per cent of the value to be written off the tax liability, and now by limiting the total annual value of works accepted in lieu to £1m in 1985-86. "It makes a nonsense of the system," says Sir Peter.

The National Gallery is not alone in its plight. The British Museum sought a 25 per cent increase in its purchasing grant and received 15 per cent less. "We feel it is very sad," says director Sir David Wilson. The Tate Gallery has had its funds chopped by over £200,000 to just over £2m.

So the UK's capacity to defend the national heritage has been weakened at a time when foreign buying power has never been stronger. That is led by the Getty Museum with £1.5bn it must spend each year. The prices of pictures at auction rise remorselessly with Sotheby's contemplating a work by Van Gogh making $10m in New York at the Gould sale in April. The fall in sterling against the dollar makes the UK even cheaper for overseas art collectors.

Some connoisseurs see the Government, dominated by the Treasury, actually wanting pictures to be sold off at auction rather than going into art galleries. When the British Museum failed to pay the Duke of Devonshire's asking price of £5.5m for his Old Master drawings earlier this year (offering him £250,000 less) he went to Christie's and grossed £21m. This will not only have given other owners ideas, but provided the Inand Revenue with over £5m in Capital Gains tax. Is the Government actually scheming to sell off the country's artistic heritage.

Sir Michael Levey in front of Ruben's "Samson and Delilah" which the National Gallery bought in 1980 for £2.5m. Such a purchase would be almost impossible now

O come all ye faithless

THE GAY Outdoor Club's Christmas Walk and Social was one of the first events in this year's Alternative festivities. According to the radical weekly *Time Out*, for a Central London stroll "In The Steps of Charles Dickens." The singing they heard was probably not carols but the sound of the readers of *City Limits* (the rather more radical weekly) exercising their vocal chords on the "Miners' Songs of Struggle" which are recommended in the latest issue as being "available for miners' support groups (sell for funds)."

Competition between the two publications is fierce, the animosity not soothed by the fact that *City Limits* was set up by dissident members of *Time Out*. Both agree, though, on the importance of the *Time Out* Christmas Party at the Bar Top in Clapham Common; one magazine mentions it more than once. But the other ignores its rival's knees-up, saving the space for the Palestine Solidarity Campaign Concert, with Sheikh Imam.

The other big event of Thursday evening took place at Molly's Cafe at 287 Upper Street, N1. "The Redundancy of Christmas," was billed as an "Anti-Xmas party held by Anarchists, *with anti-cards and vegetarian* meal, followed by emoting"—about what, it doesn't say.

This evening sees the Musicians Against Unemployment Xmas Jamboree. That starts just late enough for anarchists and other seekers after truth to catch an all-day session on "Yule—the Witches' Christmas: the London Psychic Centre present an exclusive opportunity to *witness the reality behind* witchcraft and this ancient pagan festival." The coven meets, oddly enough, at the Sherlock Holmes Hotel in Baker Street. "£2, including glass of wine." [illegible]

Others hold that the true meaning of Christmas is neither anarchic nor psychic but concerned with "music from hip-hop to be-bop." In this case, they are to be found at the Battlebridge All-Nighter Naked Xmas Party. Or they see the message in mascara, in which case they will be at the Great Christmas Drag Ball, a Punk Fantasy which will happen tonight at Porchester Hall, Queensway. The Miss Drag International '84 Contest will reveal "the loveliest in the land," though not quite in the way that the Cinderella story had it.

Tomorrow the spotlight shifts to the Community Centre in N22, the place sacred to The Very Last Off the Kerb Roadshow that features "toy animals mutilator Podomofsky" whose slogan is "Free the blow-up penguins." It also shines on Sunday *Night at the Tunnel Palladium*, a show in Greenwich starring Dickie Heart and the Pacemakers, which appears to present four-part harmonies, two of them from a tape recorder.

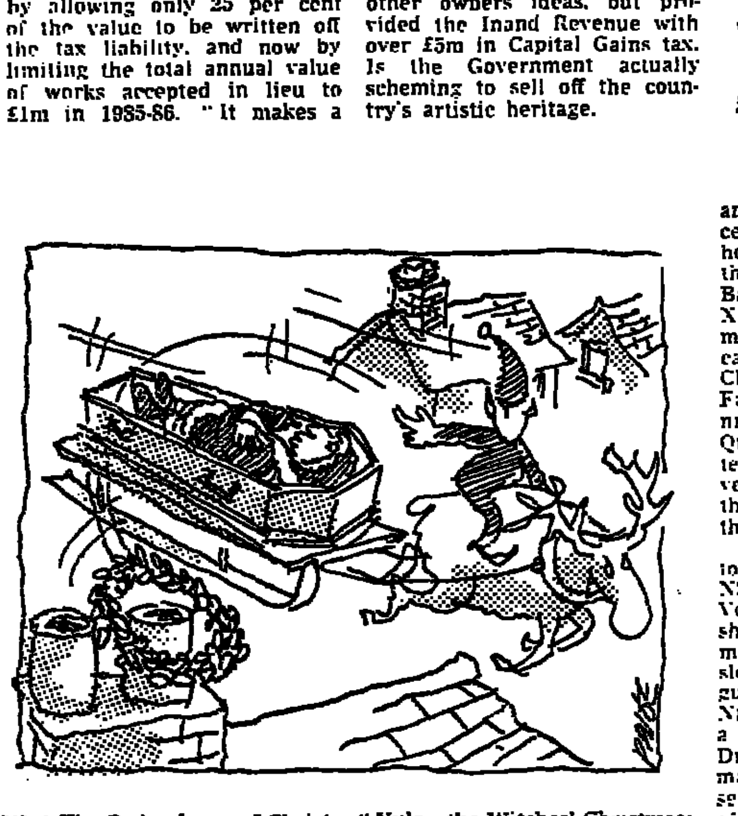
Christmas Eve at the Tunnel is at the same venue, with a *different act, and also on Mon*day, there are clowns and a group of "street artists" known as the Vicious Boys, who are praised as being nothing less than walking video nasties.

Most of the rest of the Alternative activities on Christmas *Eve are listed under the "Gay"* section in the magazines. In previous years, the entertainment would have had a harder political edge, along the lines of "Single-Parents for Freedom in El Salvador Benefit Disco. Free to Unwaged."

There is certainly nothing doing in the agit-prop line on Christmas Day. Even the Musicians Against Unemployment are saving their breath. *City Limits* wishes its readers "a Happy Winter Solstice."

On Wednesday the radical young awake, preferably by 8 pm, in time for the Special Branch Boxing Day Do Da, an event with two floors of music and a raftload of DJs. They then go back to bed until Sunday, when they return to the Tunnel in Greenwich for the Alternative New Year's Eve Party — "*That's right, it's the* day before."

On the 31st, it is time for more serious celebrations — New Year's Eve at High Wycombe, home of the Nato HQ. There will be a party at the Naphill Peace Camp, *followed by a trespass on the* military site. The Alternative year has started.



Contributors:
Antony Thorncroft
Jonathan Sale

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	6.75	7.75	8.00	Seven-day account
			8.50	Higher interest acc. 90 days' notice or charge
			5.50-8.00	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, *no penalty*
Alliance	6.75	7.75	8.00	7 days' notice. Imm. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+
			8.50	Bank Save. Bal. of £2,500. Current account
Anglia	6.75	7.75	8.50	3-year bond. No notice. 3 months' penalty
			8.50	Capital share. No notice. 1 month's penalty
			8.00	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.65	Special Inv. 9.85 2 years. 9.65 monthly income
Birmingham and Bridgwater	6.65	7.70	8.05	5 days' not. or 20 days' int. pen. for imm. wdl.
			8.75	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	6.75	7.75	8.25	Premium Access. On demand, no penalty
			8.50	Extra Interest—1 mth.'s notice or 28-day pen.
			8.25	Extra Income—1 mth.'s notice or 28-day pen.
Britannia	6.75	7.75	8.30	7 days' notice. 8.55 28 days' notice
Cardiff	8.10	8.20	8.60	90-day notice. Penalty if balance under £10,000
Catholic	8.00	9.00	10.00	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)	8.85	—	9.30	permanent 2/3 years or variable.
Chelsea	6.75	7.75	8.90	*3 years, immediate withdrawal interest penalty*
Cheltenham and Gloucester	—	7.75	—	Gold. No notice. No pen. Under £1,000, 6.75; Over, 8.25; £5,000+, 8.57 when mthly. int. added
Citizens Regency	7.00	8.00	8.40	7 days. 8.50 one month. 8.75 three months
City of London (The)	7.00	7.75	8.75	3 months' notice—no penalty—monthly income
			8.45	21 days' not. im. access for amnts. over £10,000
Coventry	6.75	8.00	9.00	2-year bond £1,000+, close 90 days' notice and penalty, monthly inc. opt., guaranteed 2.25 diff. MoneyMaker inst. acc. no pen. 8.60 £20,000+, 8.35 £5,000+, 8.00 £1,000+ monthly inc. opt.
Derbyshire	6.75	8.00	8.75	2 y., 3 m. not. with pen. 8.00 no nt./pn. m. inc.
Gateway	6.75	7.75	8.10	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 8.41 if added to account
Greenwich	6.75	—	8.75	90-day a/c (7-day a/c 8.00-8.50 subject to bal.)
Guardian	7.00	—	9.10	6 months, 8.85 3 months. £1,000 minimum
Halifax	6.75	7.75	8.00	7-day Xtra, 7 days' notice, no penalty
			8.25	28-day Xtra, 28 days' notice, no penalty
			8.50	90-day Xtra, 90 days' notice, no penalty
Heart of England	7.75	9.00	9.80	90-day notice, 9.30 5-day notice
Hemel Hempstead	7.75	9.25	10.00	2 years, 9.65 28 days, 9.85 3 years
Hendon	8.00	—	8.75	7-d .a/c min. £500. 9.25 3 mths. a/c min. £1,000
Lambeth	6.90	8.00	8.30	7-d. a/c, 9.00 Magnum a/c 6 wks. & loss of int.
Leamington Spa	6.85	—	8.60	Spa mthly. Income; no not., no pen. £5,000 min.
			8.50	Lion sh.: 1 m. not. or 28 days' pen. £1,000 min.
			9.15	Supershare: no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	6.75	8.50	8.55	*Monthly interest, 8.80 28 days' notice or* penalty. Neither if £10,000 still in account.
Leeds Permanent	6.75	7.75	8.00	Liquid Gold no not. no pen. HRAS 8.5 3m. not.
Leicester	6.75	7.75	8.00	£500+ im. ac. no pen. 8.95 comp. 3 y. £2,000+
London Permanent	7.25	—	9.25	90 d. not. or imm. wdl. no pen. if bal. £10,000+
Midshires	6.75	8.25	8.75	2-year term 2.00 diff. guar. 3 mths.' not. or pen.
Mornington	*8.30	7.80	8.50	£2K+, 8.65 £10K+, 8.80 £20K+. * £2,000—
National Counties	†7.05	8.05	9.00	90 days' notice, no penalty. †£1,000+
National and Provincial	6.75	7.75	8.75	HYS (share + 2% guaranteed 3 years)
			8.50	*90 days' notice/pen. unless bal. stays £10,000+*
			8.25	28 days' not., 8.00 7 days' not./penalty as above
Nationwide	6.75	7.75	8.50	Capital bonds, 3 yrs., 90 days' notice/penalty
			8.50	Bonus-90, 90 days' notice/penalty
			8.25	Super bonus, 28 days' notice/penalty
			8.00	Bonus-7, 7 days' notice/penalty
Newcastle	6.75	8.00	8.50	90 days' notice, 8.25 28 days' notice
			7.75	7 days' notice. On demand with penalty
			9.00	2-year term access with penalty
Northern Rock	6.75	8.00	8.10	Moneyspinner plus £500 or over
			8.35	(£5,000-£19,999); 8.60 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	6.75	8.00	8.50	New City Account. Im. wdl. no pen.
Peckham	8.50	—	9.75	Imm. withdwl. if over £2,000. Monthly income
Peterborough	6.75	8.05	8.75	Flexi-Plus 60 days' notice monthly income
Portman	6.75	8.25	8.50	No notice, 8.75 2 months' notice
Portsmouth	6.90	8.40	9.05	3 years, 8.85 6 months, 8.60 1 month
Property Owners	7.25	8.75	9.00	3 mths., 8.60 28 d., 8.75 6 mths. Effective Dec 1
Scarborough	6.75	8.00	8.75	2-year limited share. 1.75 guaranteed differentl.
Skipton	6.75	8.00	8.60	Sovereign £10,000+, 8.30 £500-£9,999. Monthly inc. 8.30, min. inv. £2,500. Inst. access no pen.
Stroud	7.75	9.00	9.85	3 months, 9.60 £10,000+, no penalty, no notice
Sussex County	7.75	9.25	7.75	up to £2,499, 8.00 £2,500+, 1 mth.'s notice 9.00
Sussex Mutual	7.25	8.75	8.50	Over £5,000 imm. wdl. Under £5,000 7 days' not.
Thrift	8.40	—	9.40	2-year term. Other accounts available.
Town and Country	6.75	7.75	8.75	90 d. not. or pen. No not./pen. if bal. £10,000+
			8.25	*7 d. not. or pen. No not./pen. if bal. £10,000+*
Wessex	8.60	—	—	No notice—no penalties—min. inv. £1
Woolwich	6.75	—	8.00	7-day account, 7 days' notice
			8.25	Monthly Income Account, 28 days' notice
			8.50	90-day account, 90 days' notice/penalty
Yorkshire	6.75	7.75	8.50	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK COMPANY NEWS

Polly Peck launches £40m spending spree

BY MARTIN DICKSON

Polly Peck (Holdings), the fast-growing agricultural and industrial company chaired by Mr Asil Nadir, is planning to spend nearly £40m on capital investment during the current financial year—more than double the £18m for 1983-84.

Mr Nadir, speaking after release of Polly Peck's annual report, said £12.6m of spending was already contracted—mainly for the company's new electronics venture—and a further £26.7m had been authorised but not yet committed.

He declined to give a detailed breakdown but said that none of the group's four main activities—agriculture, textiles, consumer electronics and mineral water bottling—would account for more than 40 per cent of the spending.

He pointed out that so far Polly Peck had funded its capital expenditure out of internal growth, though he left open the possibility of eventually increasing its levels of borrowing.

Polly Peck's pre-tax profits in the year to September 1 totalled £50.55m, compared with £20.56, on turnover up from £64.2m to £137.2m.

Mr Nadir said the new Vestel consumer electronics plant at Manisa, in Turkey, was selling everything that came off the production line — currently 1,200 colour televisions a week and 800 videocassette recorders. The company was aiming to capture 20-25 per cent of the Turkish market by next summer, against competition from 11 other domestic manufacturers.

Another new project — a mineral water bottling plant in Eastern Turkey — had also come into operation. Its production would be exported to the Middle East.

Mr Nadir would not comment in detail on potential new ventures but he said that discussions were continuing with Metal Box about a possible food processing project in Turkey, and it was hoped there would be "positive developments" in 1985.

There had also been further discussions with Racal Electronics about a possible project in the defence electronics field. The company was also studying with Daihatsu, the Japanese motor manufacturer, the potential for first importing vehicles to Turkey and later manufacturing them there.

The annual report showed that nearly 90 per cent of Polly Peck's pre-tax profits in 1983-84 came from its agricultural and related industries—such as the production of corrugated cartons and boxes and the packing of fruit.

Near Eastern countries — Cyprus, Syria, Turkey, Jordan and Lebanon—accounted for 37 per cent of its turnover, with other Middle Eastern companies taking 51 per cent and the UK 9.6 per cent.

The company is seeking shareholders' approval for the introduction of an executive share option scheme, representing 4.2 per cent of ordinary issued equity, and a reorganisation of capital that would change the nominal value of shares from 0.5p to 10p.

Shuck sacked and facing legal proceedings

By Michael Cassell, Property Correspondent

MR Ronald Shuck has been sacked as managing director of Espley Trust. The property group said yesterday that it had also decided to start legal proceedings against him.

Mr Shuck resigned as chairman of the Midlands-based group in September and invited Mr Ronald Aitken, the accountant and company "doctor," to replace him. The following month, Mr Shuck was suspended from his executive responsibilities with Espley, pending the completion of investigations relating to land in Scotland which was purchased at the beginning of 1984.

A statement yesterday said that Mr Shuck was dismissed on Thursday and that the board, having taken the advice of leading counsel, had instructed the company's solicitors to institute proceedings against "Mr Shuck and others." It is understood that the other people involved are not employees of Espley Trust.

Mr Shuck remains an Espley director for the time being, although it seems certain that a recommendation to remove him from the board will eventually be put to shareholders.

Mr Aitken said last night athat the action proposed by the company involves "restitution of value" and arises out of the purchase by Espley of land in Scotland from a company called Foxbridge.

The chairman confirmed that Mr Gary Wakeham, chairman of Espley Tyas Construction Group, has been appointed chief executive of Espley Trust. Mr Bob Burns will become deputy chief executive.

News of Mr Shuck's dismissal left Espley's shares unchanged at 13p compared to a 1984 peak of 97p. In October, Mr Shuck, who controls 27.2 per cent of Espley Trust proposed a 35p share offer for the outstanding equity. The plan fell through when the two sides failed to agree on terms.

Yesterday's statement said that the continuing property disposal programme in the UK, which was put in train to reduce group debt, has been largely completed and has led to "a substantial reduction" in borrowings. Some properties might be retained in order to exploit their full potential. Mr Aitken declined to give details of the disposals at this stage but said the sales involved the majority of the group's UK portfolio.

The group is also discussing the disposal of all or part of its overseas property portfolio. Espley Trust has wholly-owned subsidiary property companies in the United States and Belgium.

Tomatin Distillers share suspension fuels speculation

BY LISA WOOD

Tomatin Distillers, the largest independent producer of malt whisky fillings, yesterday called a halt to dealings in its shares pending a major announcement.

The company's shares were suspended at 19p.

The halting of dealings raised considerable speculation in the City about the future of Tomatin. The company, which unveiled a £3m capital reconstruction plan in 1983, incurred pretax losses of £1.48m for 1983 and in the first six months of 1984 losses were £1.06m.

Tomatin has one very large distillery in Inverness-shire, and makes most of its malt whisky for use by other distillers. It has been severely affected by industry destocking over the last four years as demand for Scotch has fallen.

The peak year for production of Scotch malt whisky was 1974 when some 215m litres of alcohol were distilled. By 1978 this was 200m litres, falling to 83m litres in 1983. This drop in production has affected Tomatin severely as 85-90 per cent of its profits come from sales to other distillers.

While the majority of other distillers are working at about 30 per cent of capacity it is understood that Tomatin is now producing at about 13 per cent of capacity.

The company has a number of its own brands, including Big T and Tomatin five- and 10-year-old. But sales of these brands are comparatively small.

Mr Alan Gray, of Glasgow-based stockbrokers Campbell Neill & Co, said: "Tomatin has been slow to develop sales of its own blended whisky and single malts which would have enabled it to use its own whiskies."

Some in the industry suggested Tomatin may be mounting a new rescue plan. The £3m convertible preference in 1983 was applied as to £1.5m deficit on distributable reserves and the balance was used to cut overdrafts. Shareholders include Heineken, the lager producer, and British and Commonwealth Shipping.

Grovebell victory at Atlanta

By Alexander Nicoll

THIS WEEK'S increased offer by Grovebell Group, Mr Vasant Advani's motor distribution and financial services concern, has won control of Atlanta Investment Trust.

Mr Advani declared his offer unconditional yesterday after receiving acceptances representing 44.6 per cent of Atlanta's ordinary equity, giving it 50.5 per cent including shares it has purchased since launching the offer.

He said he had no immediate plans to liquidate the trust's £6.5m portfolio, but would begin a detailed examination of Atlanta to determine its future direction. Atlanta has expanded its services into unit trust management, statistical services and recently announced plans to buy a licensed deposit taker.

Atlanta was taken over last year by a consortium which then placed 77 per cent of its shares.

The bid by Grovebell—which failed earlier this year in a bid for Marshalls Universal—ran into controversy because its brokers, Statham Duff Stoop, had also been brokers to Atlanta. The High Court cleared SDS to act for Grovebell.

Terms of the bid are 17 Grovebell shares plus 15p in cash for every two Atlanta shares, with a cash alternative of 135p for each Atlanta share. Grovebell shares were unchanged at 162p yesterday and Atlanta fell 6p to 138p.

ISC expands into Europe with Italian deal

BY ALEXANDER NICOLL

International Signal & Control Group, the U.S.-based manufacturer of defence and communications systems, is expanding into Italy with a L75bn (£33.6m) purchase from Bastogi, the Milan financial group.

For ISC, a fast-growing company which won a London listing in 1982 but is not quoted in the U.S., this is the second major acquisition this year. In November, it agreed to acquire for £29m Zeta Laboratories, a California-based maker of components for defence communications equipment in satellites, and last year it bought Marquardt, a rocket engine maker also based in California.

SI.EL., its latest addition, also numbers components for satellite communications systems among its activities. Mr John Hartley, a UK-based ISC director, said there were a number of dynamic medium-sized electronic companies in Italy and that ISC had been looking at the market for three years.

ISC already has a 30 per cent stake in a Florence venture capital company, but otherwise this is its first major move into Continental Europe.

SI.EL., Mr Hartley said, has recorded good growth in profits in 1984 after showing operating profits equivalent to £6.9m in 1983 on sales of £59m. Net assets were £14.1m at end-1983.

It will continue to be run as an Italian company with no changein existing management. The cash purchase will be financed from existing ISC resources and bank loans, probably in a mixture of currencies.

SI.EL. employs 1,500 people in three divisions. ELMER, near Rome, makes radio receivers and transmitters of voice and data for military customers. Its largest client is the Italian Ministry of Defence, and it also supplies the U.S. army and the British military.

OTE, near Florence, is the main supplier of mobile telecommunications equipment for the Italian police forces and also makes radio systems for the Italian air force, which manages the country's civilian air traffic control system.

Laben, in Milan, makes data handling systems for space vehicles, and supplies them to contractors building satellites such as British Aerospace.

Mr Hartley said ISC would add an international marketing capability to the whole SI.EL. group, for example aiding it to win U.S. space programme contracts.

ISC's share price was unchanged at 302p on the news.

Powell Duffryn prepares for fight with Hanson

BY RAY MAUGHAN

Powell Duffryn, marine pumps, shipping and fuel distribution, has taken the unusual step of setting up the first lines of its defence against the £151m bid from Hanson Trust before Hanson has published its formal offer document.

Only the share exchange terms of Hanson's bid have been disclosed so far—commercial logic, post-bid intentions and the rest will have to wait—and Powell Duffryn has seized on what it sees as the stark financial inadequacies of the bid.

At 420p, Powell Duffryn shares were back where they were last Friday when Hanson had launched the assault. Shat gives a 7p premium to the value of the offer, taking Hanson at 310p, up 6p yesterday.

One of the salient features of the first week of this battle is the performance of Hanson's share price, which has come up from 289p in the last five days. The bid would mean a "drastic reduction in income, earnings and assets." The total gross dividend of 22.9p per share payable for the year to September 30 "is more than double the gross dividend which would have been receivable for the same period under the terms of the Hanson offer."

Aitken Hume agreed £11m bid for Whittington Intl.

Aitken Hume International, the investment management and merchant banking group, is making an agreed bid worth about £11.7m for Whittington International Holdings, the property investment group.

This is the second major acquisition to be made by the group, run by the Aitken cousins, Timothy and Jonathon, in just over a year. In November 1983 it made a £22m agreed bid for National Securities and Research Corporation, a U.S.-bond investment fund management company.

Aitken already has irrevocable undertakings from the holders of 33.2 per cent of Whittington's equity in addition to the 6.6 per cent stake it already holds.

It is offering two of its own shares for every 11 Whittington. The maximum number of new Aitken Hume shares to be issued is 8.25m or about 24 per cent.

Aitken has already forecast a probable final dividend of 4.75p for the year ending March 1985. In a full year, on the basis of this forecast and Whittington's forecast of 0.75p dividend. Accepting shareholders will receive a dividend increase of about 70 per cent, the company said.

Whittington anticipates a pre-tax profit of £1.3m in the 15 months to March 31 compared with £450,000 in calendar 1983.

Allied Arab £40m funding

Allied Arab Bank, the London consortium bank in which Barclays Bank has a 20 per cent stake, has completed the planned £40m recapitalisation announced last month.

The bank had lost over £10m on bad loans, largely to the troubled Esal commodities group. However, as a result of the injection of new funds, it now has capital of about £45m underpinning a balance sheet of £310m. There is also a reserve of £11m to cover the deficit.

Barclays contributed about £5m of the new capital and its share of the bank remains at 20 per cent. It has also supplied the bank with senior executives.

The bank now believes it has a profitable future financing UK-Middle East trade and Arab business interests in London.

Rand devaluation pushes ERF into losses

THE MASSIVE devaluation of the South African rand has hit E.R.F. (Holdings) hard, and overshadowed its recovery in the six months ended September 27 1984.

Turnover of this commercial vehicle manufacturer and plastics group expanded by £6.35m to £33.5m, and there was an increase in trading profit from £621,000 to £678,000. But there were losses on exchange this time of £1.16m, compared with a profit of £123,000, and this led to a swinground from ap rofit of £137,000 to a loss of £1.09m at the pre-tax stage.

On the avice of the company's bankers, forward exchange contracts have been entered into for all rand commitments, and full provision made in the accounts for the cost arising therefrom. Additionally, all future sales to South Africa will be covered by forward exchange contracts to eliminate the possibility of such losses occurring again.

The half year's result takes account of bank overdraft interest £416,000 (£376,000), loan stock interest £5,000 (same), and net export finance cost £188,000 (£235,000), less interest received on short term deposits and loans £2,000 (£9,000).

● **comment**

ERF is trading more or less to plan, but the currency losses following last July's rand devaluation—15 per cent of group sales are made in South Africa—were a complete surprise, and the shares accordingly slipped 3p to 37p. The group had not taken forward exchange cover until recently because the costs would have pushed its truck prices unacceptably in a tight market. It is only just completing the pre-devaluation order book, so it is anybody's guess to what extent the 10 per cent price rise resulting from currency cover costs will damage future sales. There are no purely indigenous manufacturers, so ERF's importing competitors are presumably in the same jam, though they might turn out to have more pricing muscle. UK truck sales, meanwhile, rose by 40 per cent in unit terms—lifting market share by a couple of points to 10 per cent—though the cost of adapting production to the new CP range and static prices have eroded margins. Plastics trading profits slipped by 12 per cent to £220,000, mainly due to a loss of production and development costs associated with a shift to new automotive and leisure products. A group pre-tax loss looks inevitable for the year, but ERF might just be able to repeat 1983's £1.7m trading profit.

Forgemasters agrees £10m funding deal with BSC

BY RAY MAUGHAN

Sheffield Forgemasters, the jointly owned special steels group formed two years ago by Johnson & Firth Brown and British Steel Corporation has finally fixed the terms of a new tranche of funding.

The deal, as expected, does not embrace any more capital from JFB or, for that matter, any additional equity whatever. The onus of providing the new finance is carried solely by British Steel Corporation and Forgemasters' own bankers.

They will be putting in a further £10m between them, the banks providing £5m by way of additional overdraft facilities, guaranteed by BSC which, on its own account, is providing the balance by way of trading facilities.

When the deal was originally struck in the summer of 1982, JFB put its River Don Stampings subsidiary, its forging interests and its three cast roll operations into Forgemasters. BSC injected £17m in cash and agreed to subscribe for £10m of new preference shares while a like amount of the same stock was to have been placed with City institutions.

The institutions only agreed to back the deal, some five months later, when the preference was replaced with 13 per cent convertible subordinated unsecured loan stock which convert into 30 per cent of the enlarged ordinary share capital.

Forgemasters confirmed yesterday that "as a consequence of the unprecedented length and depth of the recession, the losses and rationalisation costs incurred have been much greater than expected when the company was formed, leading to the need for further funding."

Interest payments on the loan stock are to be deferred, given the consent of institutional investors, although the conversion rights are to be amended to the right to receive a 9.1 per cent cumulative preferred ordinary share.

They would then have the right to 30 per cent of the attributable profits and net assets of Forgemasters. These arrangements will be reviewed by BSC and the lenders in about a year's time.

Dr Donald Hardwick, the chairman of Forgemasters since its creation, will hand over to Mr Thomas Kenny, the chairman of Ruberoid and GEI, at the end of the year. Mr Ed Thompson, also a director of GEI, will join the Forgemasters' board.

Costain pays £36m for 60m tonnes of U.S. coal

BY MARTIN DICKSON

Costain Group is buying Industrial Fuels Corporation, an American coal mining and marketing company, for $42m (£36m) from Chicago-based Mideon Corporation.

IFC, based near Detroit, Michigan, had a turnover of $150m in the year to September 30 and net protfis of approximately $8m on 4.1m tonnes of sales. About 70 per cent of its turnover comes from production at four wholly-owned mines in Kentucky and Ohio and a jointly owned property in Kentucky.

It will be acquired by Costain Holdings, the group's wholly-owned U.S. subsidiary, with local borrowings providing two-thirds of the funds and cash the remainder. Last month Costain raised C$39m (£25m) through the sale of its Canadian house-building subsidiary.

The acquisition of IFC forms part of the group's plan to concentrate more of its resources in mining. It already has U.S. coal mining interests in Kentucky, Alabama and Louisiana, and produced some 5.5m tonnes this year.

IFC's total reserves, indicated and proven, are some 60m tonnes and the company has some 500 employees.

James Neill questions Moran over share stake

BY STEFAN WAGSTYL

James Neill Holdings, the Sheffield-based maker of hand tools, is seeking to establish whether two of its major shareholders are acting in concert.

Neill has kept a wary eye on its register since the Suter Group, headed by Mr David Abell, bought a stake, which now stands at 11.99 per cent.

Yesterday Neill disclosed that insurance broker Mr Christopher Moran and his privately-owned company, Christopher Moran and Co., had acquired 2.26 per cent of Neill.

The company said that it had asked Mr Moran and his company to reveal if they were acting "in concert with any third party."

Mr Hugh Neill, group chairman, said the question had been asked because Mr Moran was a major shareholder in Suter (with a holding of 8.68 per cent) so there was a "connection" between him and Mr Abell.

Mr Moran last night denied that he was acting in concert with anyone, including Suter or Mr Abell. He had met Mr Abell and discussed Suter but had not discussed James Neill.

He said he had bought the Neill shares because they were "a fine investment." He refused to say whether he would buy more.

Mr Neill said his shareholders were "tetchy" about the shares bought by Suter. He had sent a letter out in October saying that neither his family nor the directors, who together speak for about 30 per cent of Neill, had any intentions of selling their stakes.

Neill is in the midst of a rapid recovery in profits in the hands of chief executive Mr Peter Brillock, formerly managing director of Flymo. After losses in 1981 and 1982, there was a £0.7m pre-tax profit last year, and £1.4m in the first half of 1984.

Trafalgar's £45m property sale

Trafalgar House has confirmed the sale of Plumtree Court, its 190,000 sq ft City of London office building, to Norwich Union. The property, off Shoe Lane, is occupied by Coopers & Lybrand, the accountants.

Trafalgar House has not staetd a sale price, although it is understood the transaction raised a little over £45m.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The recent fast pace in the bids and deals sector showed no signs of slowing this week as several new major takeovers and disposals came to light. **BAT Industries** confirmed widespread City rumours by launching an agreed £664m bid for **Hambro Life Assurance** and, on Wednesday, announced the sale of its cosmetics business to **Beecham** for £125m. The 550p per share bid for Hambro Life confirms BAT's intention to become a major force on the UK financial scene and comes on top of its £986m acquisition of Eagle Star Holdings, the composite insurance group, at the beginning of the year. Last month, BATs sold its International Stores food retailing business to Dee Corporation for £180m. The sale of its cosmetics offshoot, British American Cosmetics, to Beecham doubles the latter's perfumes business and lifts it into the top rank of international cosmetics groups.

Intasun withdrew from the bidding for **Comfort Hotels** and left the way clear for Ladbroke's much higher offer. Intasun has sold its 14.95 per cent stake in Comfort to Ladbroke and recommends acceptance of the offer in the absence of any higher bid.

Swiss electronics group **Landis and Gyr** made an agreed 330p per share bid worth £13.4m for **Aeronautical and General**, the UK telecommunications equipment manufacturer. Both companies supply electronic equipment to British Telecom and expect the merger to provide significant commercial advantages.

Norton Opax lost patience over the protracted bid discussions with fellow specialist printer **Sir Joseph Causton** and decided to make its bid terms public. Having acquired a 21.6 per cent stake in Causton from Fleet Holdings last week, Norton is now offering four of its own shares for every five Causton. The bid values Causton at £21m, but the latter's board are advising shareholders to take no action while they consider the terms.

Canadian property concern **Nu-West Group** found a buyer for its **Voyager Petroleums UK** subsidiary. **British Petroleum** decided to buy Nu-West's 80 per cent stake and is paying 55p per share for the holding. The £5.5m deal extends BP's UK onshore exploration operations into the promising Weald Basin in the South of England.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Advance Services	126§	128	123	7.10	BET
Aeronautcl & Gen	330*	325	338	13.2	Landis & Gyr
Anglo-Scot Inv	§§	157	156	§§	Japan Assets
Atlanta Inv	148§§	138	91	3.94	Grovebell
Bath & Portland	237½ §§	279	225	37.70	Beazer (C. H.)
BPM 'A'	167¼*§	165	128	1.12	Yattendon Inv Tst
BPM 'B'	162¼*§	162	128	8.76	Yattendon Inv Tst
Bridgewater Ests¶	346§§	322	280	18.68	Peel Holdings
Causton (Sir J.)	122½	121	105	21.15	Norton Opax
Churchbury Ests	794§§	775	745††	57.22	Greycoat Offices
Comfort Hotels	92½	89	71	37.75	Ladbroke
Cullen's Strs Ord	460§§	465	435	4.60	Aromaglade
Cullen's Strs 'A'	345§§	363	330	3.45	Aromaglade
Cullen's Strs Ord	473*	465	365††	4.75	Whatling (IOS)
Cullen's Str 'A'	375*	365	260††	3.75	Whatling (IOS)
Currys	619§§	617	311	288.32	Dixons
East Lancs Paper	104§	114	60	5.67	British Syphon
Elson & Robbins	83§§	83	68	8.22	Hartons Group
Glanfield Lawrce	49½*‡	52††	49	3.60	Gregory Secs
Gordon & Gotch	140*	140	122	6.40	Hrld & Wkly Tms
Hambro Life	550*	555	498††	663.00	BAT Inds
Harrison, T. C.	74*	69	49	16.70	Harrison, T.C. Grp
Hayters	170*§	195	125††	1.95	Tomkins F. H.
Hoskins & Horton	278§	284	188	7.55	Lon & Mid Inds
Hoskins & Horton	285§ §§	284	270	5.51	Scottish Heritable

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Moray Firth Malt	371§	365	340	22.91	Scot & Newcastle
Powell Duffryn	413§	420	340	162.43	Hanson Trust
P. of Wales Htls	161½	98	115	20.00	Comfort Hotels
Reliance Ind	37½	36	25	2.94	Corah
Romai Tea	£10*§	£11½	530	1.95	Williamson
Voyager Petrolm	55*	53	51	5.50	BP
Websters Group	138¼§§ ‡	135	140	17.46	Octopus Publshg
Western Brd Mills	333§	315	220	17.61	Smith (David S.)
Whittington	24¼§ §§	23	22	10.43	Aitken Hume

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on December 21 1984. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aspinall Hldgs	Sept	11,060	(15,110)	12.9	(—)	3.0	(—)
British Sugar	Sept	61,700	(64,200)	89.0	(85.2)	53.0	(54.0)
Bush Radio	Aug	833	(540)	5.3	(3.5)	0.14	(—)
Chemring	Sept	1,450	(1,300)	39.7	(31.1)	10.0	(7.6)
Crystalate	Sept	3,660	(3,200)	18.2	(10.9)	3.85	(3.26)
Davenport Brew	Sept	2,430	(2,760)	—	(—)	9.0	(8.4)
Eldridge Pope	Sept	2,350	(2,250)	17.2	(18.9)	4.9	(4.25)
Eng China Clay	Sept	63,770	(46,470)	—	(—)	9.6	(8.75)
Grand Met	Sept	443,000	(407,000)	32.4	(27.5)	9.2	(8.02)
M & G Group	Sept	7,100	(6,000)	50.38	(40.56)	25.0	(20.0)
Hardys & Hanson	Sept	2,930	(2,660)	30.5	(25.4)	14.9	(13.5)
Jackson, J. & H. B.	Sept	2,670	(3,580)	7.4	(11.1)	1.73	(1.7)
William Leech	Aug	1,930	(1,300)	9.8	(5.8)	4.64	(3.57)
Lovell, Y. J.	Sept	6,420	(4,560)	25.8	(22.6)	6.0	(5.2)
Pict Petroleum	Oct	823L	(232)L	—	(—)	—	(—)
Pineapple Dance	July	209	(156)	3.8	(8.9)	1.5	(—)
Pyke Holdings	Sept	1,160	(630)	—	(—)	5.0	(3.5)
Radio Clyde	Sept	624	(493)	—	(—)	3.25	(3.0)
Redfearn Nat Gls	Sept	225L	(3,730)L	—	(—)	0.1	(0.1)
Reliable Prop	June	1,050	(374)	—	(—)	3.5	(3.0)
Richards	Sept	507	(36)	2.8	(1.2)	1.45	(0.75)
Speyhawk	Sept	3,770	(3,130)	21.0	(18.2)	8.1	(7.7)
Stainless Metal	Aug	452	(901)	9.2	(10.4)	4.2	(2.2)
Trident TV	Sept	12,840	(10,290)	16.5	(10.2)	7.5	(5.5)
United Spring	Sept	275	(280)L	2.2	(—)	—	(—)
Watson & Philip	Oct	1,610	(821)	17.0	(1.2)	5.0	(4.33)
Western Selection	Sept	616	(405)	3.5	(2.3)	2.7	(2.5)
Westland	Sept	2,750	(26,090)	1.9	(32.4)	8.25	(8.25)
Whessoe	Sept	4,140	(6,880)	12.8	(22.7)	5.5	(5.5)
Widney	Sept	246	(130)	2.3	(1.5)	0.18	(—)
Williams, J.	Sept	270L	(1,600)L	—	(—)	—	(—)
Williams Lee	Sept	1,550	(1,410)	35.6	(29.8)	6.25	(5.25)
Williamson Tea	June	12,810	(4,970)	—	(—)	20.0	(15.0)

(Figures in parentheses are for the corresponding period.)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
American Oil	June	543L	(644)L	—	(—)
Bailey's of York	Oct	702	(606)	0.63	(0.5)
Belhaven Brew	Sept	817	(346)	0.25	(—)
Berisfords Group	Sept	315	(248)	1.55	(1.4)
BET	Sept	37,170	(31,770)	2.75	(2.25)
Booth, John	Sept	62	(110)	—	(—)
British Land	Sept	4,040	(3,610)	0.75	(0.5)
British Steam	Sept	1,610	(970)	2.25	(1.82)
Brown & Tawse	Sept	2,540	(1,540)	2.0	(1.2)
Butterfield Hrvy	Sept	126L	(739)L	—	(—)
Caffyns	Sept	554	(474)	2.2	(2.2)
Cont Stationery	Sept	57L	(117)L	0.45	(0.45)
Davis, Godfrey	Sept	1,600	(1,850)	1.5	(1.5)
DBE Tech	Oct	174	(47)L	—	(—)
Deritend Stamp	Aug	427	(623)	2.2	(2.2)
Distillers	Sept	80,500	(67,900)	4.5	(4.5)
Dwek Group	Sept	42	(33)	—	(—)
Flexello	Sept	734	(33)L	3.0	(0.7)
Forminster	Oct	611	(604)	2.03	(2.03)
Halma	Sept	1,590	(1,267)	0.73	(0.61)
Harris, Philip	Sept	292	(258)	3.0	(2.0)
Havelock Europa	Oct	291	(210)	0.7	(—)
Health Care Serv	Sept	6	(13)L	—	(—)
Initial	Sept	14,370	(13,560)	4.75	(4.25)
Intasun	Sept	16,480	(20,020)	2.0	(1.3)
Lees, John J.	Sept	66	(64)	0.9	(0.9)
Mansfield Brew	Sept	4,340	(4,240)	2.25	(2.25)
Marling Ind	Sept	889	(789)	0.6	(0.52)
May & Hassell	Sept	1,100	(1,290)	1.6	(1.2)
Mitchell Somers	Sept	559	(9)	1.5	(1.5)
MJT Corpn	June	837L	(501)	—	(0.6)
Monk, A.	Aug	649	(527)	1.5	(1.5)
Morley, R. H.	Sept	72	(61)	—	(—)
Oceonics Group	Sept	2,780	(2,370)	—	(—)
Pethow Hldgs	Sept	181L	(2,730)L	—	(—)
Phoenix Timber	Sept	427	(527)	1.5	(1.5)
Platon Intl	Sept	181	(160)	—	(—)
Porter Chadburn	July	217L	(178)L	—	(—)
Priest, Benjamin	Sept	4	(160)L	—	(—)
Reed Exec	Sept	903	(615)	1.0	(—)
Rexmore	Sept	270	(285)	0.63	(0.6)
Scot & Newcastle	Oct	37,300	(31,600)	1.9	(1.73)
Siebe	Sept	6,970	(3,600)	3.63	(3.15)
Smith Whitworth	Sept	131	(27)L	—	(—)
Stirling Group	Sept	829	(694)	0.4	(0.28)
Syltone	Sept	469	(159)	3.6	(3.6)
Tex Abrasives	Sept	167	(163)	0.75	(0.75)
Tinsley, Eliza	Sept	322	(—)	1.0	(—)
Tops Estates	Sept	29	(15)	—	(—)
Towles	Aug	354L	(325)L	—	(—)
Victoria Carpets	Sept	361	(150)	—	(—)
Wellman	Sept	585L	(1,010)L	—	(—)
Willaire Sys	Sept	29L	(32)L	—	(—)
Wyndham Eng	Sept	33	(26)	—	(—)
Xyllyx	Sept	(177)L	(61)L	—	(—)
Zygal Dynamics	Sept	182L	(161)	—	(—)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share. L Loss.

Offers for sale, placings and introductions

Felixstowe Dock and Railway—Placing of 200,000 preference units at £101 each. Unit consist of 100 6.5 per cent cummulative redemption shares 2000-2010 of £1 each and one cummulative redemption preference 2000-2010 of £1 payable immediately.
Framlington—Applying for a full listing.
Kingsley Forester—Placing 3,064,516 new shares at 62p per share.
Walker, C. and W.—Placing 1m new ordinary shares at 10p

Rights Issue

Bairstow Eves—To raise £6.8m through a one for three rights issue at 64p per share.
Walker, C. and W.—To raise £1m through a one for one rights

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Brunner Inv	1.1	—	0.98	2	1.83*
Charter Trust	1.4	March 22	1.51	2.15	1.98*
G. M. Firth ....int	0.18	April	0.15	—	0.33
Kelsey Inds	5.5	March 6	5.5	8	8
Nash Inds	1	Feb 21	2.5	2.5	2

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

U.S. semiconductor industry forecasts a bleak 1985

BY LOUISE KEHOE IN SAN FRANCISCO

THE U.S. semiconductor industry is heading into a major downturn, industry leaders believe. U.S. chip manufacturers who just a month ago were convinced that current market softness and price reductions were a short-term problem have now revised their forecasts.

"1985 is going to be a lousy year for the semiconductor industry," Mr Charles Sporck, president of National Semiconductor told members of an industry trade association recently. "We began to see softness in demand as early as May or June.

"Originally we viewed this as an inventory correction which would be over by the end of the year. By October we were saying it would last until the end of the first quarter of 1985. I'm afraid that next summer we will be expecting it to last until year end. The situation is much more severe than we thought. Slack demand which first began in the personal computer sector has spread across the entire industry."

Proof of the current state of the market came on Thursday, when National Semiconductor reported fiscal second-quarter profits down 35.6 per cent to $8.5m. A week earlier Intel, another leading U.S. chipmaker, predicted fourth quarter earnings per share would be half the 40 cents earned last year.

Mr Sporck warned members of the Semiconductor Equipment and Material Institute, which represents the makers of semiconductor production equipment, that they should expect to see orders for their products delayed or cancelled over the next 12 months as semiconductor makers trim their expansion plans. National Semiconductor has already cut back on its expansion in Scotland and the U.S.

Further evidence of an industry slump came from the Semiconductor Industry Association which last week announced that the "book to bill ratio"—the value of orders received versus the value of products shipped—had fallen in November to an all time low for the second month in a row.

The key indicator of the health of the $26bn semiconductor industry fell to 0.81, meaning that for every $100 of chips shipped only $81 of new orders were received.

"The indicator has declined every month since hitting an all-time high of 1.66 last December. "The ratio could come down a bit more, the trough hasn't been reached yet," said Mr Michael Kubiak, the association's statistics manager.

"What you are looking at is a miserable first half of 1985."

Only three months ago, the SIA predicted U.S. semiconductor sales would jump 53 per cent this year and 21 per cent in 1985. The trade group has revised its forecast downward three times since then and now expects 1984 growth to be 46 per cent with 1985 growth barely reaching 10 per cent.

Dr Daniel Klesken of Montgomery Securities in San Francisco, said: "The industry outlook over the next seven months is dismal. The inventory correction is turning out to be much more widespread and deeper than anyone had expected.

"The simple fact of it is that everyone at the OEM and distributor level ordered too many semiconductor chips and thus built an inventory of chips back in the boom times of late 1983 and early 1984."

Intel is also becoming pessimistic about the outlook. The company is cutting back on capital spending and hiring and has delayed completion of new production plants under construction in Oregon and Arizona.

Texas Instruments has taken more drastic steps, laying off 2,000 of its workers in Texas. TI offered no explanation for the move beyond reiterating the uncertainties in the industry outlined in its third quarter reports.

Ironically, TI's layoffs have increased concern among industry analysts and within the industry. Although some analysts describe TI's decision as an over-reaction, others fear that TI, the largest U.S. semiconductor manufacturer, may just be the first to recognise the severity of the current downturn.

National Semiconductors has "taken precautionary measures" to trim its expenses, but does not plan to reduce its workforce, the company said this week.

With the supply of semiconductor devices now exceeding demand, order lead times have shortened dramatically since the first quarter of 1984. Prices are also beginning to slide downward.

Concern about foreign competition is also rising again. After virtually ignoring the issue for the past year, U.S. semiconductor manufacturers are once more bemoaning the problems of trying to sell into the Japanese market.

Japanese manufacturers now supply an estimated 50 per cent of the world market for memory chips and 70 per cent of the market for dynamic Rams—the data storage chips used in computers.

That share could increase in 1985 as major semiconductor users turn to new generation 256K Rams and away from established 64K Ram products.

$415m bid for Tidewater launched by Jacobs group

BY PAUL TAYLOR IN NEW YORK

AN INVESTOR group led by Mr Irwin Jacobs, the Minneapolis-based corporate raider, has launched a takeover bid worth a minimum of $415m for Tidewater, the New Orleans-based group which operates the largest U.S. fleet of offshore oil rig servicing vessels.

Mr Jacob's group, which has already brought 1.49m shares, equivalent to 8.9 per cent of Tidewater's outstanding 16.6m common shares, has offered between $25 and $28 a share for all the stock in a bid that is considered friendly.

The precise terms of the bid will depend upon an asset-disposition programme which has been set as a conditino for the offer. Tidewater earlier reached a share acquisition standstill agreement with the Jacobs group which expired yesterday. It would "consider the merits of the proposal," it said.

Earnings have been hard hit by the depression in oil drilling. The company is considered "undervalued" by the Jacobs group. Ahead of the bid the company's share price closed on Thursday down 62.5 cents at $19¾. Yesterday, after a delayed opening the stock jumped $2⅜ to $22⅛ when trading resumed on the New York Stock Exchange.

In its latest fiscal year ending March 31 Tidewater's net income fell to $1.6m or 8 cents a share, after a $5.7m writedown, on revenues of $335.1m compared to net earnings of $51.4m or $3.07 a share on revenues of $431.8m in the previous year.

Accounting link-up agreed

BY TERRY DODSWORTH IN NEW YORK

TWO medium-sized U.S. accounting firms have agreed to merge in a deal which would create the country's ninth largest group if it is consummated in voting due early next year.

The merger between Alexander Grant, a Chicago-based firm, and Fox, of Denver, would produce a firm with revenues of about $236m a year. Grant has 325 partners and Fox 200, but both businesses have been trimming staff and offices in recent months, and the rationalisation may continue. Their combined workforces amount to 4,000.

Overseas, Grant is affiliated with Grant, Thornton International, which has 60 accounting firms and 224 offices in 60 countries, while Fox is affiliated to Fox, Moore International, which has 42 accounting firms and 230 offices in 29 countries.

Dispute halts Singapore Land's Gateway project

BY CHRIS SHERWELL IN SINGAPORE

A DISPUTE over contractor payments has halted work on the twin-tower Gateway office project in Singapore, again drawing attention to the problems facing the developer, Singapore Land, and the island state's continuing property glut.

The dispute with Turner Construction of the U.S. is said to be technical and apparently does not mean the Gateway project is being halted altogether, even though Singapore Land is known to be concerned about development on its accounts.

The property glut has caused bankers, investment analysts and estate agents to predict the collapse of at least some smaller companies in the coming months, notwithstanding some developers' recent efforts to talk the market back up.

Mr S. P. Tao, Singapore Land's chairman, warned shareholders in the company's annual report earlier this month that the glut of space in Singapore would depress its earnings, and he pointed specifically to the Gateway project, in which it has a 67½ per cent stake.

The project is a 37-storey twin-tower office complex just outside the central business district. Designed by I. M. Pei, it is due to be completed in 1986 and offers 69,800 sq metres of lettable space. Its current market value of S$244m (US$12m) is well below its book value of S$407m.

Investigation for Deak Perera unit

By David Dodwell in Hong Kong

THE Hong Kong Government yesterday appointed an inspector to investigate the affairs of Deak Perera (Far East), the Hong Kong-based foreign exchange and gold dealer that ceased operations two weeks ago when its U.S.-based parent filed for protection from creditors under U.S. bankruptcy laws.

The move follows pressure from depositors for the company to be put into liquidation. Appointment of an inspector does not freeze the assets of the company, but may be the first step towards liquidation.

The collapse of Deak Perera, a group which spans financial services as well as gold and foreign exchange dealing, has raised embarrassing questions in both Hong Kong and the neighbouring Portuguese-administered territory of Macao about the regulation of companies not entitled to operate as deposit taking companies (DTCS).

Deak's operation in Macao has been closed, with the territory's financial authorities saying that Deak Perera (Far East) and Deak & Co (Macao) had been accepting deposits without proper authority. Paper deposits with the Macao subsidiary are understood to amount to at least US$20m.

Mr Noel Gleeson, Hong Kong's registrar-general, gave no indication yesterday of how long it would take the inspector to report. An interim statement is possible in a matter days, however.

The government has yet to decide whether it should press for the liquidation of Deak Perera (Far East).

Cinzano sees L570bn sales

By Alan Friedman in Milan

CINZANO, the Italian drinks group which is soon to be partly owned by Grand Metropolitan, the UK brewing, hotels and leisure group, is expected to record a L570bn ($298m) turnover in 1984. This figure, which represents the first time Cinzano has reported a consolidated turnover, is the group total for Cinzano International, the Geneva-based holding parent.

Cinzano, which employs 2,000 people and has operations in 26 countries, has not disclosed group profit figures.

BHP boosts first-half earnings

BY LACHLAN DRUMMOND IN SYDNEY

BOKEN HILL Proprietary of Australia has increased profits by more than a fifth for the six months ended November 1984, with all divisions contributing to the advance.

Net profits from the energy and industrial group total A$341.5m (US$248m), against A$283mf or the first half of last year. Turnover for the six months is 35 per cent higher at A$3.48n, compared to A$2.56bn.

However, both sales nad profits benefited from a first time inclusion from the newly-acquired Utah Coal group. Utah Coal contributed A$62m to operating profits of A$416m.

At the same time, underlying profits growth has slowed during the second quarter. First quarter net profits rose by 40 per cent but were limited to a 6 per cent rise in the second three months.

At the gross level profits were up from A$742m to A$1.05bn before a depreciation up from A$159m to A$216m and interest charges ahead from A$48.5m to A$130m.

The company, the biggest in Australia, said its steel division experienced a slight improvement in markets with higher domestic sales and a 4 per cent increase in raw steel production.

On a six-month breakdown the steel division contributed A$72m against A$51m. John Lysaght A$23m against A$21m, minerals A$35m compared with A$19m and petroleum A$224m compared with A$187m. Utah chipped in A$62m.

The company said the minerals division benefited from higher iron ore despatches from the Mount Newman venture and a full six months contribution from the Riverside coal operation.

It noted that steel imports had been increasing and that international market remained extremely competitive.

BHP stressed that it would be increasingly difficult to maintain group profitability because of increasingly competitive conditions for most of its business.

Earlier this year BHP warned shareholders that the sharp profit advances turned in for the first three months were unlikely to be sustained for the whole of 1984-85.

Spanish utilities to swap assets

BY OUR MADRID CORRESPONDENT

SPAIN'S Industry Minister has announced a Pta600bn ($3.5bn) asset-swapping plan aimed at cutting losses by the country's utilities.

Sr Carlos Solchaga said this was the biggest exchange of assets in Spain outside the banking sector. "We can consider that the financial crisis of the electrical sector is solved," he said.

Private and public utilities agreed a reshuffle was necessary early in 1983 when the Government nationalised Spain's electricity distribution network in an attempt to rationalise the system.

Sr Solchaga said among the first operations under the new agreement would be the purchase of the small Catalan company Hidroelectrica de Cataluna (Hidruna) by Hidroelectrica Espanola (Hidrola), which has a 16.8 per cent stake in the Spanish electricity market.

Stock market observers said Hidruna shares would probably be bought at 75 per cent of nominal value by Hidrola at a cost of about Pta12bn.

Hidrola's main rival is the Bilbao-based Iberuero, which has a 20 per cent market share. It has a deficit of electricity after the loss of two nuclear units—first after separatist guerrilla attacks and subsequently under the Government's new energy plan.

Sr Solchaga said Iberduero was to buy stakes in two nuclear units from Union-Electrica-Fenosa, the Madrid utility which has an excess of power.

U.S. QUARTERLIES

AMERICAN MEDICAL INT.

Hospital operator First Quarter	1984-5 $	1983-4 $
Revenue	820.8m	591.4m
Net Profits	42.6m	38.2m
Net Per Share	0.51	0.43

DRESSER INDUSTRIES

Energy/eqpt. Four quarter	1983-4 $	1982-3 $
Revenue	1.1bn	892m
Net profits	37.7m	19.6m
Net per share	0.49	0.34
Year		
Revenue	3.7bn	3.5bn
Net profits	86.7m	5.1m
Net per share	1.24	0.06

FEDERAL EXPRESS

Air freight Second quarter	1984-5 $	1983-4 $
Revenue	455.2m	340.7m
Net Profits	10.2m	30.4m
Net per share	0.21	0.68
Six months		
Revenue	324.3m	648m
Net profits	18.5m	58.6m
Net per share	0.39	1.31

GENERAL CINEMA

Cinemas, drink bottling Fourth quarter	1983-4 $	1982-3 $
Revenue	233.5m	219.8m
Net profits	20.9m	14.9m
Net per share	0.55	0.40
Year		
Revenue	916.2m	822m
Net profits	71.4m	56.3m
Net per share	1.89	1.51

GENERAL INSTRUMENT

Cable TV eqpt. Third quarter	1984 $	1983 $
Revenue	260.4m	227.7m
Net profits	4.5m	5.3m
Net per share	0.14	0.17
Nine months		
Revenue	767.7m	661m
Net profits	25.3m	28.6m
Net per share	0.80	0.92

HUMANA

Hospital operator First quarter	1984-5 $	1983-4 $
Revenue	665.4m	620.3m
Net profits	54.6m	48.7m
Net per share	0.55	0.49

NAT. MEDICAL ENTERPRISES

Hospital operator	$	$
Revenue	706.2m	602.2m
Net Profits	36.3m	29.4m
Net Per Share	0.52	0.43
Six Months		
Revenue	1.4bn	1.26n
Net Profits	69.7m	58.8m
Net Per Share	0.99	0.82

PILLSBURY

Foods, restaurants Second Quarter	1978 $	1977 $
Revenue	1.26bn	1.12bn
Net Profits	66.1m	52.1m
Net Per Share	1.52	1.20
Six Months		
Revenue	2.28bn	2.05bn
Net Profit	1.05m	86.9m
Net Per Share	2.42	2.00

JIM WALTER

Building materials, building First quarter	1984-85 $	1983-84 $
Revenue	558.3m	535.8m
Net profits	27.1m	22.4m
Net per share	1.24	1.03

Senior posts at Robert Fleming

The following changes are being made by ROBERT FLEMING HOLDINGS from January 1: Mr C. K. R. Nunneley will become chairman of Robert Fleming Investment Management and Mr D. C. F. Pearson chairman of Robert Fleming Securities. Mr W. L. Banks will succeed Mr Pearson as head of the corporate finance department. Mr A. R. Fleming, Mr J. O. S. Saunders, Mr J. R. K. Emly, Mr J. F. P. Galvanoni, Mr L. V. Ingrams, Mr M. G. Wade and Mr A. H. Smith will join the board of Robert Fleming Holdings; Mr P. Stafford will join the board of Robert Fleming Securities and Mr P. Wonnacott the board of Robert Fleming Properties. Mr D. M. C. Donald will be retiring from Robert Fleming Holdings on December 31 and Mr J. Newman has resigned from Robert Fleming Properties. Mr A. R. Fleming will be transferring from Robert Fleming Securities to Robert Fleming Investment Management and Mr A. M. Golding from Robert Fleming Investment Management to Robert Fleming Securities.

*

GRANADA TELEVISION INTERNATIONAL has appointed Ms Vivien Wallace to its board. She was head of television sales.

*

Mr John D. Copeman has been appointed a non-executive director of EMAP. Since 1980 he has been chairman of the Maclaren Group, which was acquired by EMAP in October.

*

Dr Keith G. G. Hopkins has been elected to the board of CRODA INTERNATIONAL from January 1. He was managing director of Croda Colloids, for which he will retain general responsibility but will also take over as managing director of the oil refinery divisions incorporating premier, processed oils and bakery services.

*

Mr Julian Were, general manager of CHANDOS INSURANCE CO. has been appointed to the board. Chandos is a Bass subsidiary.

*

EARLY'S OF WITNEY has appointed Mr J. S. M. Jones and Mr J. A. Heywood as directors.

*

Mr John C. Dalton has been appointed treasurer of EDWARD MANSON & CO. banking service division of Manson Finance Trust. He was assistant treasurer and assistant vice president with HFC Trust and Savings. Mr J. Chris Barker has been appointed northern regional manager of Edward Manson & Co and will be responsible for a northern regional office to be opened in Leeds during 1985. He was formerly a director of Peoples Trust. Both appointments from January 1.

*

Mr T. P. Leahy and Mr A. Benjamin have been appointed directors of TESCO STORES, principal operating subsidiary of Tesco, from January 1.

*

Mr J. S. Barnes, a director and chief executive of Gill and Duffus Group, has become chairman of PACOL, a wholly owned subsidiary. He replaces Mr A. D. Prosper, who has retired. Mr M. L. Lawinski has also retired. Mr L. D. Aitkin has been appointed to the board.

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More Appointments, Page 21

FINANCE AND THE FAMILY

Charity from a stockbroker

BY OUR LEGAL STAFF

In the run up to the British Telecom subscription, a London firm of stockbrokers published an advertisement offering to share its commission with applicants applying for shares to a value of £1,200 (partly paid) or more.

I accepted the offer and forwarded my cheque and application. The firm now advises me that it is only prepared to pay my share of the commission to a charity, since it would be contravening regulations if it did otherwise.

Could you advise me:—

(a) What would half of the introductory commission amount to?

(b) If I choose to press for the original offer to be honoured, would this best be achieved through a small claims court?

(c) Have I sufficient grounds for such a claim to have a change of success?

It would depend on the precise terms of the advertisement whether it was an offer or an invitation to treat. If the latter you would have no contract; but there may nonetheless be a misrepresentation inducing a contract. Thus either way you could press for the commission due from you to be set at half the normal rate. The commission would in any event not be a significant sum if you are allotted 800 shares, and a claim for half the commission would best be pursued in the small claims court, if at all: as it would be for under £5.

Sharing the estates

My mother, who was recently widowed, wishes to give the title of her house equally to me and my three brothers. The house is worth about £50,000. If she does this, will we have to pay CTT on the gift, either now or at some future date? Will we have to charge her rent in order to continue to live in the house?

You will not have to pay Capital Transfer Tax if your mother has not yet used the last £50,000 of her £64,000 exemption. If, however, there are other assets in your mother's estate which would bring it above the exemption limit it might be preferable to use the annual exemptions of £3,000 initially in order to reduce the eventual liability for Capital Transfer Tax.

Supplementary claim

We have been resident in the Isle of Man since April 1978. Since then we have paid income tax to the Isle of Man and to the U.K. My wife's investment income has been aggregated with mine each year and tax paid accordingly to U.K. Investment income is not subject to double taxation relief in the Isle of Man.

We have received a letter from the Inland Revenue (UK) along with an adjustment to final tax liability 1983/4, and to provisional liability 1984/85 reflecting this change. Since the courts, CIR V Addison, obviously ruled that a wife's income arising outside the UK should not be aggregated and taxed with that of her husband, can we nof claim for a refund of the excess charged on previous years, 1978/79 to 1982/83 (i.e. 55 years over assessment)?

Yes, you should submit supplementary claims for relief (under section 27(2)(c) of the Income and Corporation Taxes Act 1970) for 1978-79 to 1982-83 straight away or at least before Good Friday, April 5—by virtue of section 42(8) of the Taxes Management Act 1970:

"Where a claim has been made and the claimant subsequently discovers that an error or mistake has been made in the claim, the claimant may make a supplementary claim within the time allowed for making the original claim."

Delay at the tax office

I am a Swedish subject who lived and worked in the UK for a Swedish subsidiary between 1968 and 1982. In September 1982 I returned permanently to Sweden and informed (at that time) HM Inspector of Taxes of my new abode. About seven months later I received a tax-return for the tax year 1982-83 which I immediately completed and returned. After that I have heard nothing, not even about the tax year 1981-82 which had not been cleared at my departure. I have written to HM Inspector of Taxes on several occasions but have so far not even had a reply to my letters. Would you kindly advise me what to do to get the matter settled.

It is quite often difficult to get reasonably prompt replies from UK tax offices, according to our postbag. We suggest that you write once again, marking your letter (and the envelope) for the attention of the district inspector, and ask for either a reply to your earlier letter or the address of the regional office to which you should submit a complaint of maladministration. If this produces no response within a fortnight, please come back to us for advice on the next step.

Claim by an ex-wife

On my divorce several years ago my former wife received a capital sum and his since been in receipt of alimony.

My wife has capital of her own which she possessed before our recent marriage. Should I pre-decease my former wife has she any claim in law against my wife's own estate?

If the answer is "no," is there any period laid down whereby a transfer of capital from me to her would also be safe from a claim?

If your wife's estate is clearly identifiable as her own separtee estate no claim could be made against it by your former wife. Transfers by you to your wife would not be safe from a claim by your former wife if they can be traced and identified. Such a claim however would have to be based on your having acted with the intention of circumventing the claimant's statutory rights, and that could be difficult to prove if the transfers to your wife are of reasonable amounts or are otherwise explicible (e.g. as part of a scheme to mitigate the incidence of taxation).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

BASE LENDING RATES

A.B.N. Bank	9½%
Allied Irish Bank	9½%
Amro Bank	9½%
Henry Ansbacher	9½%
Armco Trust Ltd.	10½%
Associates Cap. Corp.	9½%
Banco de Bilbao	9½%
Bank Hapoalim	9½%
BCCI	9½%
Bank of Ireland	9½%
Bank of Cyprus	9½%
Bank of India	9½%
Bank of Scotland	9½%
Banque Belge Ltd.	9½%
Barclays Bank	9½%
Beneficial Trust Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	9½%
CL Bank Nederland	9½%
Canada Perm'nt Trust	9½%
Cayzer Ltd.	9½%
Cedar Holdings	11 %
■ Charterhouse Japhet	9½%
Choulartons	11 %
Citibank NA	9½%
Citibank Savings	¶10¾%
Clydesdale Bank	9½%
C. E. Coates & Co. Ltd.	10½%
Comm. Bk. N. East	9½%
Consolidated Credits	9½%
Co-operative Bank	*9½%
The Cyprus Popular Bk.	9½%
Dunbar & Co. Ltd.	9½%
Duncan Lawrie	9½%
E. T. Trust	10 %
Exeter Trust Ltd.	10 %
First Nat. Fin. Corp.	11 %
First Nat. Secs. Ltd.	11 %
■ Robert Fleming & Co.	9½%
Robert Fraser & Ptns.	10 %
Grindlays Bank	‡9½%
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Heritable & Gen. Trust	9½%
■ Hill Samuel	§9½%
C. Hoare & Co.	†9½%
Hong Kong & Shanghai	9½%
Johnson Matthey Bkrs.	9½%
Knowsley & Co. Ltd.	10½%
Lloyds Bank	9½%
Mallinhall Limited	10 %
Edward Manson & Co.	10½%
Meghraj and Sons Ltd.	9½%
Midland Bank	9½%
■ Morgan Grenfell	9½%
Mount Credit Corp. Ltd.	9½%
National Bk. of Kuwait	9½%
National Girobank	9½%
National Westminster	9½%
Norwich Gen. Tst.	9½%
People's Tst. & Sv. Ltd.	10½%
R. Raphael & Sons	9½%
P. S. Refson	9½%
Roxburghe Guarantee	10 %
Royal Bk. of Scotland	9½%
Royal Trust Co. Canada	9½%
■ J Henry Schroder Wagg	9½%
Standard Chartered	‖9½%
Trade Dev. Bank	9½%
TCB	9½%
Trustee Savings Bank	9½%
United Bank of Kuwait	9½%
United Mizrahi Bank	9½%
Westpac Banking Corp.	9½%
Whiteaway Laidlaw	10 %
Williams & Glyn's	9½%
Wintrust Secs. Ltd.	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.25%, 1 month 7.00%. Fixed rate 12 months £2,500 8.75% £10,000. 12 months 9.00%.
† 7-day deposits on sums of under £10,000 6¼%. £10,000 up to £50,000 7¼%. £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¼%.
‖ 21-day deposits over £1,000 7¼%.
¶ Mortgage base rate.
§ Demand deposits 6%.

WORLD STOCK MARKETS

NEW YORK

WALL STREET

Moderate decline continues

STOCK prices were moderately lower by early afternoon as the market continued to give back portions of the sizeable gains earned earlier this week.

The Dow Jones Industrial Average which has been falling since a 35-point rise on Tuesday, was off about 5.96 to 1,197.33 at 1 pm. Overall, losers led gainers two to one, with volume about 51m shares.

Technology stocks were under pressure, with **Commodore** down 2¼ to 17¼ and **Texas Instruments** off 2½ to 114½. **Bell Atlantic** was down 1½ to 79½.

G. D. Searle was up 1¼ to 63¾ as takeover rumours continued to affect the stock.

Earlier **ATT** led the active list, up ⅛ to 19⅜.

CANADA

Stock prices were mixed at mid-session in moderately active trading, with *gold issues* providing most of the market's support.

The composite index was off 4.6 points at 2,381.7 on turnover of 4,193,060 shares. Winning issues, however, exceeded losers 250 to 177.

The gold index was up 54.2 points at 2,879.1 with *Dome Mines* gaining ⅜ to 9⅛. **Campbell Red Lake** ⅜ to 23¼ and **Lac Minerals** ½ to 26.

Volume-leader Systemhouse class "A" was up 5 cents at C$1.45 after it accepted an offer to sell five units to **Kinburn Technology** for C$8m.

In other actives, **Bell Canada** was down ⅛ at 35. **Inco** grew ¼ to 15¼ and **Bank of Nova Scotia** fell ¼ to 13¼.

On the Montreal Stock Exchange, the market portfolio index was off 0.10 of a point at 119.39 on turnover of 889,123 shares.

Closing prices for North America were *not available* for this edition.

TOKYO

Share prices closed lower in active selling of international populars after an overnight Wall Street fall and the yen's decline.

The market average slipped 39.84 to 11,474.31, extending Thursday's 44.28 slide. Turnover was 580m shares against 550m on Thursday.

Losses were felt throughout the market on profit-taking in blue-chips, electricals, precision instruments, drugs and other issues which had led the sharp rise two days ago.

Buyers retreated because of uncertainty about U.S. interest rates and the value of the yen.

Hitachi fell two to 872, **Sony** 30 to 3,620 and **Fanuc** 10 to 11,390. But **Matsushita Elec** rose 30 to 1,590 and **Kyocera** 110 to 7,230.

Biotechnology shares, which often move in opposition to blue chips, kept company with the general trend as Thursday's winners fell on profit-taking.

Yamanouchi Pharm fell 80 to 2,160, **Toyojozo** 90 to 1,190, **Calpis** 48 to 750 and **Kagome** 70 to 990.

Expectations of lower oil prices pushed most Oils down. **Nippon Oil** fell 17 to 877.

HONG KONG

Prices continued to advance in active trading, pushing the Hang Seng Index to a new 29-month high.

The index closed up 14.17 points to 1,198.59, close to the psychological barrier of 1,200.

Turnover was HK$339.63m compared with Thursday's HK$323.83m.

Overseas institutions appeared to have taken a more favourable look at stocks after the signing of the Sino-British accord on Hong Kong's future on Wednesday.

Buying interest focussed on blue chips, but oher issues also benefited.

Cheung Kong jumped 40 cents to *HK$10.30*. **Hutchison Whampoa** 40 to HK$18.20, **HK Wharf** 15 to HK$5.20, and **Sun Hung Kai Properties** 5 to HK$7.85. **HK Land** lost 5 to *HK$3.925 and* **Swire Pacific "A"** was unchanged at HK$21.20.

Hang Seng Bank added 25 to HK$42.25 and **HK Bank** was unchanged at HK$7.80. **China Light** added 10 to HK$12.20 and **HK Electric** was up 10 to HK$6.50.

GERMANY

Shares saw a final rally before the holiday with investors anticipating further gains in the new year.

Some foreign buying was also evident and the Commerzbank Index ended a week of rises 1.9 up at 1,093.0, 19.8 up on the week.

Siemens rose DM 5.60 to DM 469.60, while **Schering** rose DM 10.50 to DM 448.

But **AEG** lost 0.40 to 103.10, while High Techs were mixed with **PKI** DM 10 down at DM 637 and **Nixdorf** DM 1.20 higher at DM 518.30.

Insurer **Allianz**, after falling because of disappointment over its one-for-five rights issue at DM 400 announced earlier this month, closed DM 5 up at DM 970.

Motors were firmer in spite of reports of weak domestic demand. **Daimler** gained DM5 to close at *DM 583*. **VW** rose DM 0.50 to DM 202.50 and **BMW**, aided by hopes of higher turnover, rose DM 6.80 to DM 373.80.

In Chemicals, **BASF** rose DM 1.10 to DM 182.30, **Bayer** was DM 1 higher at DM 190 and **Hoechst** DM 0.70 up at DM 187.10.

Engineerings were mainly firmer, with **Linde** unchanged at DM 389, **Mannesmann** DM 1.30 higher at DM 147.30 and **GHH** DM 2.50 up at DM 157.

In Stores, **Karstadt** rose DM 2.50 to DM 242, **Lufthansa** ordinaries rose DM 1.60 to DM 180.50 while steel group **Thyssen** was DM 0.50 up at DM 81.50.

SINGAPORE

The market closed higher in quiet trading before a long Christmas holiday.

The Straits Times Industrial Index rose 4.85 to 807.72 and the Stock Exchange Industrial/Commercial Index 4.41 to 579.24. Turnover fell to 6.7m shares from 8m.

A newcomer, **Singapore Press**, led the actives with a turnover of 483,000 shares and closed 5 cents higher at $6.15. **Malayan United Industries** rose 2 cents to $2.49.

Elsewhere, **Peck Hua** rose 15 to $5.05, **Cycle and Carriage** 11 to $2.94, **Pan Malaysia Cement** 3 to $1.78, **Fraser and Neave** 8 to $5.00, **Cerebos** 7 to $2.11, **Wearne Brothers** and **Hong Leong Industries** each 6 to $3.88 and $3.16, respectively. **General Lumber** 5 to $1.98 and **Hong Leong Credit** 5 to $5.10.

Hotels, Properties and Commodities were also higher.

SWITZERLAND

Stock prices closed firm as investors ignored the dollar's strength and the slight decline on Wall Street.

Favourable prospects for the Swiss economy and expectations of an easier dollar contributed to the firm tone.

After a quiet opening, large buying orders *for* selected stocks set in and triggered active buying among blue chips.

Ciba-Geigy rose after the chemical concern said it was selling its Airwick group to **Reckitt and Colman** for SwFr 500m.

Swissair bearer gained 20 to 1,050 *on a big buying order from* a Swiss bank. Demand picked up for **Nestle** shares, and its participation certificates firmed 15 to 910, while the bearer stocks added 20 to 5,570.

Banks and Insurances, however, were neglected and closed mostly on previous levels. **UBS** bearer shed 5 to 3,580 and **CS** bearer rose 5 to 2,325.

Swiss Reinsurance firmed slightly while **Winterthur** lost ground.

AMSTERDAM

Share prices were mixed in very quiet trading on the Amsterdam Stock Exchange.

Advances outnumbered declines but only very limited activity was seen. Yesterday was the last trading day before the holidays, and the only activity was seen in major company **Royal Dutch**. After falling on Thursday because of pressure on world oil prices, it recovered slightly, *rising* Fl 0.70 to Fl 168.70. Other major companies only saw small losses.

Investors did not react to yesterday's higher dollar or lower Wall Street prices.

In Banks **ABN** fell Fl 3.50 to Fl 364,000 but **NMB** was Fl 1 higher at Fl 47.50. **Amro** added Fl 0.20 to Fl 64.30

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

TORONTO

MONTREAL

NEW YORK ACTIVE STOCKS

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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هكذا من الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Quiet trading

The dollar lost ground in currency markets yesterday while sterling recouped some of its recent losses to finish up on the day. However, there was nothing to read into the respective fortunes of these two currencies on yesterday's performance since the market was almost totally bereft of business. The prospect of an early reduction in the U.S. discount rate has been discounted, but such a move, combined with lower Federal fund rates, provided the sentiment behind a slight downward dollar movement.

The dollar closed at DM 3.1155 down from DM 3.1240 against the D-Mark and SwFr 2.5665 from SwFr 2.5710. Against the yen it fell to Y247.85 from Y284.05 and FFr 9.53 from FFr 9.5575. On Bank of England figures, the dollar's index rose to 143.5 from 143.4 although this failed to reflect to the dollar's overall closing level.

Sterling recovered some of the ground lost earlier in the week to finish at 73.2 according to the Bank of England index, up from 73.0 on Thursday. Against the dollar it closed at $1.1750-1.1760, a rise of one cent from Thursday's close. It was also higher at DM 3.6550 from DM 3.6300 against the D-mark and SwFr 3.0075 compared with SwFr 2.9925. Against the yen it rose to Y291.0 from Y28.50 and FFr 11.22 from FFr 11.0575.

£ in New York

	December 21	Prev. close
£ Spot	$1.1730-1.1740	$1.1690-1.1700
1 month	0.10-0.07pm	0.12-0.11 pm
3 months	0.26-0.22pm	0.34-0.31 pm
12 months	0.05pm-0.10dis	02.7-0.25 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Dec 21	Previous		Noon	
8.30 am	73.1	72.9	1.00 pm	73.1	72.7
9.00 am	73.2	72.7	2.00 pm	73.2	72.8
10.00 am	73.1	72.8	3.00 pm	73.1	72.8
11.00 am	73.1	72.7	4.00 pm	73.2	73.0

POUND SPOT—FORWARD AGAINST POUND

Dec 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1670-1.1765	1.1750-1.1760	0.12-0.09c pm	1.07	0.35-0.30 pm	1.11
Canada	1.5380-1.5475	1.5415-1.5465	0.01-0.10c dis	-0.42	0.02pm-0.11d	0.17
Nethlnd.	4.11-4.15	4.13½-4.14½	1⅜-1⅛c pm	3.80	4⅛-4 pm	4.05
Belgium	73.10-73.70	73.60-73.70	4-9c dis	-1.06	10-19 dis	-0.79
Denmark	13.05-13.12½	13.11½-13.12½	2⅛-3⅛ore dis	-2.53	5⅛-6⅛ dis	-1.75
Ireland	1.1675-1.1745	1.1715-1.1735	0.50-0.65p dis	-5.88	1.32-1.62dis	-5.01
W. Ger.	3.64-3.66½	3.65-3.66	1⅜-1⅛pf pm	4.10	3⅞-3⅜ pm	4.04
Portugal	194.50-197.20	195.40-197.10	180-595c dis	-23.89	520-1645dis	-22.06
Spain	201.30-202.95	201.95-202.95	50-65c dis	-3.41	130-155 dis	-2.82
Italy	2,239-2,257½	2,252-2,253	7-11 lire dis	-4.18	22-28 dis	-4.44
Norway	10.54-10.62½	10.59-10.60	2½-3⅛ore dis	-3.26	7⅛-8⅛ dis	-2.93
France	11.16½-11.24½	11.21½-11.22½	¼-1¼c dis	-1.27	1⅛-2⅛ dis	-0.82
Sweden	10.41½-10.48½	10.46-10.47	4⅛-5 ore dis	-1.29	4⅛-5 dis	-1.79
Japan	289½-291½	290½-291½	5-2⅞c pm	3.30	2.80-2.45 pm	3.47
Austria	25.55-25.80	25.71-25.75	5-2⅞ro pm	1.83	15⅝-10⅝ pm	2.03
Switz.	2.99-3.01½	3.00½-3.01½	1⅛-1⅛c pm	5.24	3⅞-3⅞ pm	4.90

Belgian rate is for convertible francs. Financial franc 73.90-74.10. Six-month forward dollar 0.42-0.35c pm. 12-month 0.30-0.15 pm.

OTHER CURRENCIES

Dec. 21	£	$		£ Note Rates
Argentina Peso	191.87-192.27	164.21-164.33	Austria	25.40-25.70
Australia Dollar	1.4025-1.4045	1.1995-1.2005	Belgium	72.70-73.45
Brazil Cruzeiro	3,555-3,576	3,041-3,056	Denmark	12.95-13.09
Finland Markka	7.5744-7.6245	6.4950-6.4970	France	11.08-11.20
Greek Drachma	147.90-150.89	126.24-128.80	Germany	3.62-3.66
HongKong Dollar	9.1450-9.1550	7.8200-7.8250	Italy	2230-2260
Iran Rial	110.80*	93.50*	Japan	293-298
KuwaitDinar(KD)	0.3569-0.3600	0.3057½-0.3035½	Netherlands	4.08¼-4.12½
Luxembourg Fr.	73.60-73.70	62.50-62.60	Norway	10.56-10.66
Malaysia Dollar	2.8200-2.8260	2.4125-2.4155	Portugal	201-211
New Zealand Dlr	2.4865-2.4965	2.0745-2.0610	Spain	199-208½
Saudi Arab Riyal	4.1889-4.1900	3.5605-3.5610	Sweden	10.35-10.46
Singapore Dollar	2.5350-2.5440	2.1700-2.1750	Switzerland	298½-3.01½
Sth African Rand	2.2694-2.2983	1.9455-1.9510	United States	1.15¾-1.17¾
U.A.E. Dirham	4.2970-4.3050	3.6720-3.6760	Yugoslavia	260-319

* Selling rates.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Dec 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1670-1.1765	1.1750-1.1760	0.12-0.09c pm	1.07	0.35-0.30 pm	1.11
Ireland†	0.9970-1.0030	1.0015-1.0030	0.58-0.53c pm	6.67	1.51-1.41 pm	5.85
Canada	1.3161-1.3175	1.3161-1.3166	0.17-0.20c dis	-1.68	0.40-0.45dis	-1.29
Nethlnd.	3.5150-3.5335	3.5170-3.5180	0.85-0.83c pm	2.88	2.62-2.58 pm	2.95
Belgium	62.43-62.68	62.50-62.60	9-10c dis	-1.82	21-23 dis	-1.41
Denmark	11.14-11.21	11.16½-11.18½	2½-3⅛ore dis	-2.22	7-8 dis	-2.68
W. Ger.	3.1170-3.1270	3.1150-3.1160	0.77-0.72pf pm	2.86	2.45-2.40 pm	3.11
Portugal	167-168½	167½-168½	175-525c dis	-25.07	500-1450dis	-23.28
Spain	171.95-172.78	172.50-172.70	70-70c dis	-4.52	160-190 dis	-3.94
Italy	1,914-1,923	1,914-1,915	10-10½ lire dis	-6.42	27-27½ dis	-5.71
Norway	9.01½-9.04½	9.01½-9.01½	2.50-3.20ore dis	-4.22	8.80-9.30dis	-4.12
France	9.52½-9.56½	9.52½-9.53½	1.85-2.00c dis	-2.42	4.60-5.10dis	-2.03
Sweden	8.89-8.93½	8.90½-8.90½	1.80-2.80ore dis	-3.09	6.15-7.15dis	-2.98
Japan	247.70-248.05	247.80-247.90	0.47-0.43y pm	2.18	1.45-1.40 pm	2.30
Austria	21.89½-21.96½	21.94-21.96	1⅛-⅛ro pm	0.56	6⅛-3 pm	0.87
Switz.	2.5580-2.5720	2.5660-2.5670	0.90-0.84c pm	4.06	2.45-2.39 pm	3.77

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.85-62.95.

EXCHANGE CROSS RATES

Dec. 21	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Frank
Pound Sterling	1.	1.175	3.655	291.0	11.22	3.008	4.140	2253.	1.544	72.65
U.S. Dollar	0.851	1.	3.116	247.9	9.530	2.567	3.518	1915.	1.313	62.55
Deutschemark	0.274	0.322	1.	79.62	3.070	0.823	1.133	616.3	0.422	20.15
Japanese Yen 1,000	3.436	4.040	12.56	1000.	38.56	10.34	14.23	7741.	5.306	253.1
French Franc 10	0.891	1.048	3.256	259.4	10.	2.680	3.690	2008.	1.376	65.64
Swiss Franc	0.333	0.391	1.215	96.76	3.731	1.	1.377	749.0	0.513	24.49
Dutch Guilder	0.242	0.284	0.883	70.29	2.710	0.726	1.	544.1	0.373	17.79
Italian Lira 1,000	0.444	0.522	1.623	129.2	4.981	1.335	1.838	1000.	0.685	32.70
Canadian Dollar	0.648	0.761	2.367	188.5	7.267	1.948	2.681	1459.	1.	47.70
Belgian Franc 100	1.358	1.596	4.963	395.1	15.23	4.084	5.621	3058.	2.096	100.

MONEY MARKETS

Little change

Interest rates showed little overall change in London yesterday. Sterling managed to recover a little from the record lows touched on Thursday but rates still reflected a degree of nervousness prevailing in the market. However, there appeared to be little chance of making any sensible assessment of market trends ahead of Christmas and the New Year.

Three-month interbank money was quoted at 9⅞-10 per cent compared with 9⅞-10 per cent while three-month eligible bank bills were bid at 9⅛ per cent compared with 9⅛-9⅜ per cent. Weekend interbank money opened at 9¼-9½ per cent and fell away towards the close to finish at 5 per cent.

The Bank of England forecast a shortage of around £200m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £813m and a rise in the note circulation of a further £235m. These were partly offset by Exchequer transactions which added £790m and bank balances brought forward above target by £55m.

The forecast was revised to a shortage of around £250m and the Bank gave assistance in the morning of £171m, comprising purchases of £5m of local authority bills in band 1 (up to 14 days) at 9¼ per cent and in band 2 (15-33 days) £43m of Treasury bills and £17m of eligible bank bills all at 9⅜ per cent. In band 3 it bought £31m of eligible bank bills at 9¼ per cent and in and 4 (64-91 days) £75m of eligible bank bills at 9¼ per cent.

In the afternoon the Bank gave additional assistance of £47m through purchases of eligible bank bills in band 2 at 9⅜ per cent. It also provided late assistance of £100m, making a total of £318m.

UK clearing banks' base lending rate 9½-9¾ per cent since November 23.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Dec. 21 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-9½	9¼-9⅝	9½	5-9⅝	—	—	—	—	—
2 days notice	—	—	9¼-9⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	9⅛-9½	9¼-9⅝	9½	9¼	—	—	—	—	—
One month	9⅜-9½	9½-9⅝	9½	9¾	9⅜	9⅜	9⅜	9⅜	9⅜	10⅛
Two months	9⅞-9⅞	9⅞-10	9¾-9⅞	10	9⅝	9⅝-9⅞	9¼	9⅜-9⅝	9¼	9⅞
Three months	9⅞-9¾	9⅞-10	9⅞	10⅛	9⅜	9⅜	9⅜	9⅜	9⅜	9⅞
Six months	9⅞-9¾	10⅛-10⅛	10⅛	—	—	—	—	9½	9½	10⅛
Nine months	9⅞-9⅞	10⅛-10¼	—	—	—	—	—	—	—	—
One year	9⅞-9⅞	10⅛-10⅛	10⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10½-9⅞	—	9⅜	8.25-8.35	7⅞-8⅛	9⅛-9⅜
Two months	10⅛-10	—	9⅞	8.35-8.45	7⅞-8⅛	9⅜-9⅝
Three months	10¼-9⅞	—	9⅞	8.4-8.5	7⅞-8⅛	9¼-9⅜
Six months	10¼-9⅞	—	10⅛	8.8-8.3	8⅛-8⅜	9⅜-9⅝
Nine months	10¼-9⅞	—	10⅛	9.1-9.3	—	—
One year	10½-10⅛	—	10¼	9.5-9.7	8¾-9	9⅝-9⅞
Two years	—	10⅞	—	—	—	—
Three years	—	10⅞	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of interest period November 7 to December 4 1984 (inclusive): 9.804 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10½ per cent from December 1 1984. London and Scottish Clearing Bank Rates for lending 9½-9¾ per cent. London Deposit Rates for sums at seven days' notice 6-6¼ per cent. Treasury Bills: Average tender rates of discount 9.1133 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 9¾ per cent; one-three months 10 per cent; three-six months 10¼ per cent; six-nine-nine months 10¼ per cent; nine-12 months 10¼ per cent. Under £100,000 9½ per cent from November. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. December 20)

3 months U.S. dollars

bid 8 9/16	offer 8 11/16

6 months U.S. dollars

bid 9 5/16	offer 9 5/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 20	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	8¾-9	7¾-8⅛	9½-10	5⅞-5⅞	1-1¼	5⅜-5½	10⅝-10⅞	14-16	11-11¾	10⅝-10⅞	6⅜-6½	11⅝-12½
7 days' notice	9⅛-9⅜	8⅛-8⅜	10⅛-10⅜	5⅞-6⅛	15-15½	5⅝-5¾	10⅝-10⅞	12⅛-13⅛	11-11½	10⅝-10⅞	6⅛-6½	12-12½
Month	9⅛-9⅜	8⅜-8⅝	9⅞-10⅛	5⅞-6⅛	5-5¼	5⅜-5⅝	10⅝-10⅞	14-14⅛	10⅞-11⅛	10⅝-10⅞	6⅜-6⅝	12-12⅛
Three months	9⅝-10	8⅝-8⅞	9⅞-10⅛	5⅞-6⅛	4⅞-4⅝	5⅜-5⅝	10⅝-10⅞	14⅛-14⅝	10⅞-11⅛	10⅝-10⅞	6⅛-6⅜	11⅛-12½
Six months	10-10⅛	9-9⅛	10⅛-10⅝	5⅝-5⅞	4⅞-4⅝	5⅝-5¾	11-11¼	14⅛-14⅝	10⅞-11⅛	10⅝-10⅞	6¼-6½	11½-12
One year	10⅛-10⅝	9⅜-10	10⅝-10⅞	5⅞-6⅛	4⅞-4⅝	5⅝-5⅞	11⅛-11⅜	14⅝-14⅞	10⅞-11⅛	10⅝-10⅞	6¼-6½	11⅞-11⅞

Asian $ (closing rates in Singapore): Short-term 8⅛-8⅜ per cent; seven days 8⅜-8⅝ per cent; one month 8⅝-8⅞ per cent; three months 8⅞-9⅛ per cent; six months 9⅛-9⅜ per cent; one year 9⅝-10 per cent. Long-term Eurodollars: two years 10⅛-11 per cent; three years 11⅛-11⅜ per cent; four years 11⅛-11⅜ per cent; five years 11⅛-11⅜ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	High	Low
METALS					
Aluminium	£1100	—	£1050	£1100	£1000
Free Market c.i.f.	$1110/1140	-45	$1580/1610	$1080-1660	$1025/1075
Antimony					
Free Market 99.6%	$2100/2175	-67.5	$2450/2500	$4575/3625	$2450/62
Copper-Cash High Grade	£1135.5	+29.5	£978.75	£1226.25	£945
3 months Do. Do.	£1146.75	+28	£1004.25	£1149.75	£969.75
Cash Cathode	£1127.5	+23.5	£966.75	£1214	£940.5
3 months Do.	£1150.5	+24.5	£984.75	£1154	£957
Gold per oz.	$310.875	-11.625	$380.125	$405.75	$307.25
Lead Cash	£399.5	+51.5	£279.75	£382.5	£269.5
3 months	£334.75	+2.25	£289.125	£387.87	£279.25
Nickel	£5067		£5967	£4836	
Free Market c.i.f. lb.	219/249c	+5	205/225c	227/257c	203/223c
Palladium per oz.	$130	-5.10	$167.00	$162.25	$128.50
Platinum per oz.	$292.75	-15.85	$370.50	$411.25	$291.25
GRAINS					
Barley Futures	£113.45y	+0.60	£122.45	£123.65	£105.65
Maize French	£146.5w	—	£148.00	£154.50	£145.00
WHEAT Futures	£113.20y	-5.25	£122.50	£130.50	£105.55
Hard Winter Wheat	‡				
SPICES					
Cloves	£4,200	—	£5,500	£5,500	£4,000
Pepper white	£3,225	—	£3,775	£3,500	£2,800
black	£2,150	—	£2,250	£2,350	£1,800
OILS					
Coconut (Philippines)	$940w		$1,025	$1,375	$900
Groundnuts $	$875x	-55		$1,180	$815
Linseed Crude	£540u			$1,145	$597
Palm Malayan	$585u	-10	$715	$1,000	$550
SEEDS					
Copra (Philippines)	$565x		$670	$855	$540
Soyabeans (U.S.)	$248.5u	-3.4	$325	$3582	$256.75
Quicksilver (76 lbs)	$300/310		$303/312	$318.13	$290/300
Silver per oz.	547.85p	-13.05	617.85p	679.70p	529p
3 months per oz.	559.65p	-13.65	631.45p	694.40p	544.305p
Tin cash	£9947.5	+75	£9085.5	£9985.5	£8370
3 months	£9907.5	+68.5	£8642.5	£9917.5	£8517.5
Tungsten Ind.	$83.61	—	$74.70	$89.55	$73.44
Wolfram (22.04 lb.)	$74/76	—	$70/74	$86/90	$71.75
Zinc cash	£681	+4.5	£503.5	£797.5	£592.5
3 months	£681.5	+11.75	£617.25	£718.25	£594.5
Producers	$900	—	$980	$1050/1080	$900
OTHER COMMODOTIES					
Cocoa Shipments	£1,920	—	£2014	£2,173	£1,672.5
Cocoa Futures Mar	£1,859	+32.5	£1963	£2103.5	£1638
Coffee Futures Mar	£2,262	+33	£1,947	£2,512	£1,899.5
Cotton Index	72.00c	+0.5	89.05c	90.10c	71.50c
Des. Coconut	£1,280	—	£990	£1,345	£995
Gas Oil Fut. Jan	$222	-2.5	$248	$257.75	$214.25
Jute LJA BWC grade	$870	—	£490	$878	$485
Rubber kilo	65p	+2	83p	91p	68p
Sagoo Pearl	‡	—	£293	£345	£285
Sisal No. 3L	$670	—	$640	$670	$630
Sugar (Raw)	$98wv	-6.5	£126.5	$194	$98
Tapioco No. 1	‡	—	£318	£350	£295
Tea (quality) kilo	325p	—	280p	375p	367p
(lowtm'd) kilo	230p	—	214p	280p	196p
Wooltops 64s Super	487p kilo	—	423p kilo	487p kilo	483p kilo

‡ Unquoted. (g) Madagascar. § Ghana cocoa. (x) Jan-Feb. (w) Dec-Jan. (u) Jan. (y) March. (v) Feb.

REVIEW OF THE WEEK

Cash lead price soars on supply 'squeeze'

BY OUR COMMODITIES STAFF

A TECHNICAL squeeze on available supplies brought a dramatic rise in the cash price of lead on the London Metal Exchange yesterday. At the end of trading, confined to a morning session only prior to the Christmas holiday, cash lead closed an astonishing £51.5 higher at £399.5 a tonne, while three months quotation was only £2.25 up at £334.75 a tonne. One dealer, who has been a prominent seller of lead for forward delivery in recent weeks, is now having to cover these sales by buying in a market suffering from a shortage of supplies. So the buyer was forced to pay higher and higher prices.

The shortage of nearby supplies of nickel, which pushed prices up to record levels recently, eased and the cash price ended the week £57.5 lower at £4,147.5 a tonne moving to a discount below the three months quotation, which gained £4.5 to £4,172.

In the zinc market, too, the cash price yesterday fell to a small discount against the three months quotation, which ended the week £11.75 higher at £681.5 a tonne. Cash zinc was £681.

Meanwhile in the copper market, forecasts of a developing squeeze on nearby supplies helped prices advance strongly, with the higher grade cash price gaining £29.5 to £1,1135.5 a tonne.

However aluminium values dropped sharply following the latest figures from the International Primary Aluminium Institute showing that western world production was little changed in November, in spite of the cuts in output by leading producers during the past few months.

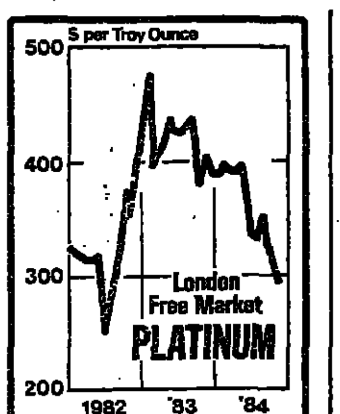
When aluminium failed to sustain the $1,100 a tonne resistance level, heavy speculative selling emerged and the three months quotation declined £920.75 a tonne, £27 down on the week.

Gold fell to new 2½-year lows. It broke through the $300 an ounce briefly in Australia trading at $298 and reached a low of $303 in London before recovering yesterday to $310.875 an ounce, still $11.625 down on a week ago.

The decline in gold hit platinum and silver prices too. Free market platinum ended the week $15.85 down at $292.75 an ounce.

Potato prices on the London futures market came under renewed pressure after the Potato Marketing Board failed to agree on an increase in the minimum saleable size. However, the Board announced yesterday that it would take delivery of potatoes it has contracted to buy as part of its price support scheme. It will accept double the contracted quantity for smaller potatoes.

In the absence of significant fundamental news London's other soft (non-metal) commodity markets were dominated by currency factors. The weakness of sterling against the dollar boosted cocoa and coffee futures prices but world sugar values, which are quoted in dollars, moved down sharply.



Sugar's fall which took the London daily raws price to a new 14-year low of $98 a tonne, down $6.50 on the wek, reflected what dealers described as "continued tired bull liquidation" as more holders of long positions gave up hopes of an early pick up in the market based on expectations of renewed Soviet buying, which so far have not materialised.

OIL

Brent and WTI firmed as traders tried to clear positions before the Christmas holiday. By 1 pm EST Nymex was around 20c higher while Brent closed 10c up. In the refined products market, despite the firmer IPE and Nymex, gas oil fell mainly due to continued excess availability of Russian cargoes in N.W. Europe. Heavy fuels weakened; good supplies from the U.S. Gulf and the Caribbean combined with poor demand to push the market $1-2 down—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.60-27.70	+0.15
Arab Heavy	26.15-26.25	+0.025
Dubai	26.70-26.80	+0.175
Brent Blend	26.65-26.70	−0.225
W.T.I. (1pm est)	26.40-26.55*	+0.175
Forcados (Nigeria)	27.05-27.25	+0.05
Urals (cif NWE)	27.30-27.60	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	237-239	—
Gas Oil	217-219	−3
Heavy fuel oil	180-184	−2

All January, except * which is February

Petroleum Argus Estimates

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Dec.	219.00	+0.75	218.00
Jan	222.00	+1.00	222.75-21.25
Feb	223.00	+2.25	223.25-21.25
March	220.25	+3.50	220.25-18.55
April	217.25	+2.25	217.25-16.25
May	216.50	+2.00	216.50-16.75
June	216.50	+1.50	216.50

Turnover: 1,723 (1,564) lots of 100 tonnes.

GOLD

Gold rose $3¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $310¾-311¼. The firmer trend was prompted by short covering, initially in silver. Gold opened at $308¼-308¾ and traded between a low of $308¼-308¾ and a high of $313-314.

GOLD BULLION (fine ounce) Dec. 20

Close	$310½-311¼	(£264½-265¼)
Opening	$308¼-308¾	(£263½-264)
M'n'g fix.	$308.85	(£264.087)
Aft'n'n fix.	$311.00	(£265.585)

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$310½-311	(£264¼-264¾)
½ Krug.	$165-165½	(£140½-141)
¼ Krug.	$84¼-84¾	(£71¾-72¼)
1/10 Krug.	$34¼-35	(£29½-29¾)
Mapleleaf	$310½-311	(£264¼-264¾)
New Sov.	$73-75½	(£62½-63)
½ New Sov.	$41-42	(£35-35½)
Old Sov.	$74½-75½	(£63½-64½)
$20 Eagle	$450-500	(£384-425)
Noble Plat	$301-304½	(£256¾-259¼)

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
Dec.	—	—	—
Jan.	313.00	—	312-12.90
Feb.	312.00	—	311.00
April	317.00	—	317.00

Turnover: 407 (701) lots of 100 troy ounces.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,135.5, three months £1 145, 45 5, 45, 44, 44.5, 45, 45.5, 46, 46.5. Cathodes: Three months £1,152, 51, 50. Kerb: Three months £1,148, 47 5, 48, 49, 50, 51. Turnover: 18,600 tonnes. U.S. Producers: 63-67 cents per pound.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	1135-.5	+15		
3 months	1146.5-7	+1.25		
Settlem't	1135.5	+5		
Cathodes				
Cash	1127-8	+1.5		
3 months	1150-1	+1		
Settlem't	1128	+2		

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	9960-70	-7.5		
3 months	9930-5	-15		
Settlem't	9970	-5		
Standard				
Cash	9945-50	-5		
3 months	9905-10	-7.5		
Settlem't	9950			
Straits E.	$29.15			

Tin—Morning: Standard: Cash £9,950, three months £9,900, 05. High Grade: Cash £9,965. Turnover: 1,260 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	399-400	+52		
3 months	334.5-5	+1.25		
Settlem't	400	+50		

Lead—Morning: Cash £396, 98, 99, 80, 95, 400, three months £332, 31.5, 31, 33, 34, 35, 34.5. Kerb: Three months £335, 34, 33, 32. Turnover: 25,850 tonnes. U.S. Spot: 20-26 cents per pound.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	680-2	+4.5		
3 months	681-2	+4.5		
Settlem't	682	+5		

Zinc—High Grade Official/Unofficial prices. Zinc—Morning: Cash £679, three months £678. High Grade: cash £745. Kerb: Three months £680, 79. Turnover: 7,650 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	902-.5	-5		
3 months	920.5-1	-7.5		

Aluminium—Morning: Cash £903, 28.5, 2, three months £916, 17, 18, 19, 20, 21, 22, 22.5, 22, 21, 20, 21, 22, 22, 22.5, 22. Kerb: three months £912, 22, 23. Turnover: 29,400 tonnes.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	4145-50	-22.5		
3 months	4170-5	-2.5		

Nickel—Morning: Cash £4,150, three months £4,130, 35, 70, 75. Kerb: Three months £4,170. Turnover: 696 tonnes.

SILVER

Silver was fixed 14.65p an ounce higher for spot delivery in the London bullion market yesterday at 547.85p. U.S. cent equivalents of the fixing levels were: Spot 641c, up 18c; three-month 653.2c, up 18.5c; six-month 668.8c, up 19.7c; and 12-month 702.3c, up 20.8c. The metal opened at 546-548p (630-633c) and closed at 548-551p (644-647c).

SILVER per troy oz	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	547.85p	+14.5	548.5p	+12
3 months	559.65p	+14.5	560.25p	+12
6 months	573.70p	+15.2	—	
12months	601.50p	+16.2	—	

LME—(2,000 oz contract): cash 548p (538.5p); three months 560.25p (549.25p). Turnover: 0 (0).

COCOA

ICCO indicator prices (U.S. cents per pound). Daily price for December 21: 98.75 (98.18); five-day average for December 24: 98.12 (99.02).

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Dec	1838-1839	-2.5	1848-1838
March	1858-1860	+1.5	1868-1855
May	1871-1872	+0.5	1877-1865
July	1879-1880	-10.0	1891-1876
Sept	1880-1882	-1.5	1885-1880
Dec	1136-1840	-3.5	1845-1835
Mar	1820-1855	—	—

Sales: 4,139 (5,312) lots of 10 tonnes.

COFFEE

COFFEE	Yesterd'ys Close	+ or −	Business Done
January	2247-49	-13.5	2258-41
March	2260-64	-18.0	2265-40
May	2245-46	-18.5	2246-20
July	2241-44	-13.5	2242-3
Sept	2240-45	-19.0	2240-20
Nov	2232-35	-11.0	2230-28
Jan	2210-30	+6.5	

Sales: 2,022 (2,597) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for December 20: Comp daily 1979 132.29 (same); 15-day average 133.93 (134.01).

GRAINS

Business done—Wheat: Jan 109.55-9.50, March 113.20-3.15, May 117.05-7.00, July untraded, Sept 95.10-5.00, Nov 101.25 only. Sales: 116 lots of 100 tonnes. Barley: Jan 110.50-10.45, March 113.50-3.40, May 115.70 only, Sept 97.60 only, Nov untraded. Sales: 174 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 114.90.

WHEAT / BARLEY

Mnth	Yesterd'ys close	+ or −	Yesterd'ys close	+ or −
Jan	109.50	-0.10	110.50	-0.05
Mar	113.20	-0.05	113.45	—
May	117.00	-0.05	115.70	-0.10
July	118.95	-0.05	—	—
Sept	98.05	-0.10	97.80	-0.15
Nov	101.30	-0.05	101.25	-0.10

GRAINS—Wheat: U.S. dark northern spring no. 1 14 per cent Jan 168.25; Feb 170, March 173 trans-shipment east coast. U.S. no. 2 soft red winter: Jan 149.75, Feb 149.10, March 149. Maize: U.S. no. 3 Yellow/French Dec/Jan 145.50 transshipment east coast. Rest unquoted.

SUGAR

LONDON DAILY PRICE—Raw sugar $98.00 (£83.50), down $6.00 (£5.00) a tonne for Dec-Jan-Feb delivery. White sugar $134.00, down $5.00.

No.6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar	118.2-118.6	119.2-119.4	121.8-118.2
May	127.0-127.4	127.8-127.8	129.4-125.2
Aug	135.4-135.8	137.6-137.8	139.2-135.6
Oct	142.4-145.6	144.2-144.4	146.2-142.8
Dec	149.4-150.0	151.0-152.6	151.0-149.0
Mar	159.4-160.0	161.4-162.6	162.0-160.8
May	170.6-171.6	172.8-172.6	175.6-175.6

Sales: 3,310 (2,712) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £186.00 (£152.00) a tonne for export.

International Sugar Agreement (U.S. cents a pound fob and stowed Caribbean ports). Prices for December 20: Daily price 3.26 (3.38); 15-day average 3.72 (3.76).

SOYABEAN MEAL

	Yesterday close	+ or −	Business Done
	£ per tonne		
Dec	145.00-145.5	-0.65	144.8
April	145.1-145.5	-0.40	145.5
June	145.0-146.0	-0.85	145.5
August	147.1-149.0	-0.05	—
October	145.5-151.0	-0.25	—
Dec	150.7-151.0	-0.40	—

Sales: 262 (243) lots of 20 tonnes, 4 (0) lots of 100 tonnes.

INDICES

FINANCIAL TIMES

Dec. 21	Dec. 20	M'nth ago	Year ago
292.93	289.57	293.26	296.50

(Base: July 1 1952 = 100)

REUTERS

Dec. 21	Dec. 20	M'th ago	Year ago
1909.8	1909.5	1668.7	1970.8

(Base: September 18 1931 = 100)

MOODY'S

Dec. 19	Dec. 18	M'th ago	Year ago
966.4	967.1	986.1	1054.0

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 19	Dec. 18	Month ago	Year ago
Spot	122.83	122.26	126.87	138.77
Fut	123.68	123.57	128.36	141.65

(Base: December 31 1974 = 100)

AMERICAN MARKETS

Gold and silver market gains in response to short-covering from Japan, reports Heinold Commodities. Copper and aluminium sustained losses with copper registering a sharp decline as depressed long liquidation developed on the lack of reaction to the strong durable goods and the firmer tone to precious metals which led to stop-loss selling late in the session. Sugar continued under pressure in response to bearish fundamentals. Cocoa was basically steady on a lack of particular ... structive plantings report.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	47.05	47.65	47.65	47.65
Jan	47.05	—	—	47.60
Feb	47.45	—	—	48.00
March	47.80	48.60	47.80	48.40
May	48.55	48.70	48.70	49.15
July	49.30	—	—	49.90
Sept	50.05	50.60	50.60	50.65
Dec	51.25	51.85	51.65	51.85
Jan	51.65	—	—	52.25
March	52.45	—	—	53.05

COCOA 10 tonnes: $/tonnes

	Close	High	Low	Prev
March	2077	2080	2052	2063
May	2090	2090	2070	2063
July	2088	2090	2073	2084
Sept	2089	2090	2085	2085
Dec	2053	2040	2035	2043
March	2053	—	—	2043
May	2043	—	—	2033

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	141.19	41.40	40.40	40.53
May	138.55	38.75	38.15	38.30
July	137.00	37.05	36.55	36.70
Sept	135.50	35.85	35.12	35.11
Dec	134.01	34.25	3.80	33.55
March	133.00	33.50	32.90	32.70
May	132.00	32.00	32.00	31.70

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	288.5	292.0	287.0	286.1
Jan	291.3	292.4	289.0	288.1
April	298.9	298.0	296.0	291.6
July	303.7	304.4	301.8	298.4
Oct	310.8	312.0	309.0	305.4
Jan	318.1	—	—	312.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	646.3	650.0	641.0	632.2
Jan	648.7	648.0	644.5	632.5
Feb	651.0	—	—	636.7
March	655.5	660.0	649.0	641.5
May	665.4	669.0	659.0	651.1
July	675.5	680.0	674.8	661.0
Sept	684.8	690.0	682.0	671.7
Dec	703.8	707.0	700.0	686.9
Jan	709.7	709.0	708.0	694.6
March	721.4	728.0	716.5	706.1

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	3.45	3.55	3.35	3.54
March	4.10	4.24	4.08	4.17
May	4.42	4.58	4.40	4.50
July	4.72	4.87	4.70	4.79
Sept	4.96	5.13	4.96	4.05
Oct	5.16	5.34	5.18	5.25
Jan	5.65	5.85	5.71	5.77
March	6.10	6.28	6.10	6.21
May	6.34	6.50	6.50	6.45

CHICAGO

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	53.17	53.17	53.17	51.87
April	49.30	49.30	49.30	47.80
June	52.62	52.62	52.62	51.12
July	52.97	52.97	52.97	51.47
August	50.62	50.62	50.62	49.12
Oct	47.00	47.00	47.00	45.50
Dec	47.00	47.00	47.00	45.50
Feb	48.00	48.00	48.00	46.90
April	47.35	47.35	47.00	

CHICAGO and further American markets tables (live cattle, maize, pork bellies, soyabeans, soyabean meal, soyabean oil, wheat, New York copper, cotton, crude oil, heating oil, orange juice) are printed in the rightmost columns.

SPOT PRICES—New York tin 528.0 (same) cents per pound. Handy and Harman silver bullion 642.0 (626.0) cents per troy ounce.

MARKET REPORT

Equities continue to retreat from all-time highs and index closes 6 down for two-day fall of 18.3

Account Dealing Dates			
*First Dealings	Option Declarations	Last Dealings	Account Day
Dec 10	Dec 20	Dec 21	Jan 7
Dec 24	Jan 10	Jan 11	Jan 21
Jan 14	Jan 24	Jan 25	Feb 4

* "New-time" dealings may take place from 9.30 am two business days earlier.

Christmas influences took precedence as London stock markets wound down yesterday on the last full trading session before the holiday; dealings will take place on Monday but only until midday. Turnover was moderate in both main investment areas with business affected not only by seasonal considerations but also technicalities involving the close of the trading account, the final one of 1984.

Wal Street's turnround from early firmness to late dullness on Thursday together with sterling's inability to shake off oil price uncertainties wer adverse pointers. They ensured a continuation of the previous session's reactions in leading shares, but the ensuing losses wer generally modest. The oil sector, demoralised earlier in the wek by large sales on behalf of the Kuwait Investment Office, remained unsettled.

Predictions on the economy by both the Bank of England and the OECD coupled with the former's soothing words on UK money supply trends had little impact on sentiment, although Government stocks did edge forward. The recovery here owed much, however, to the inclusion in longer dated gilt prices of accrued interest for the extended five-day settlement period; gilt are usually traded for cash settlement following delivery of the stock next day.

Last-minute end-year purchases assisted the movement and selected medium-life issues ended a rather depressing fortnight showing recoveries stretching to ½. Index-linked Gilts also found sporadic support and the longest-dated stock, Treasury 2½ per cent 2020, regained ¾ to 94. The FT Government Securities Index recorded its first gain in nine consecutive trading sessions to close 0.05 up at 81.98.

Book squaring and position straightening before the New Year comprised much of the business in equities, although profit-taking was also in evidence. Sectors recently buoyed on bid speculation and consumer spending hopes were hit particularly by selling which represented the desire to take profits. The after-hours announcement of the November trade figures aroused little interest and the FT Ordinary share index closed six points down at 924.3 for a two-day fall of 18.3 from Wednesday's all-time peak of 942.6.

Minet lower

Minet Holdings, sharply higher on Thursday amid speculation that St Pauls Companies of the U.S. had sold its near-26 per cent stake in the company, succumbed to profit-taking in the absence of confirmation of the deal. Minet closed 12 down on the day at 243p, after 235p. Other Lloyds Brokers, however, continued to benefit from dollar earnings considerations. Willis Faber put on 15 more to 585p and Stewart Wrightson gained 10 to 513p, while C. E. Heath improved 3 more to 555p. PWS International, additionally aided by Press comment, gained 5 more for an advance of 45 on the week to 465p.

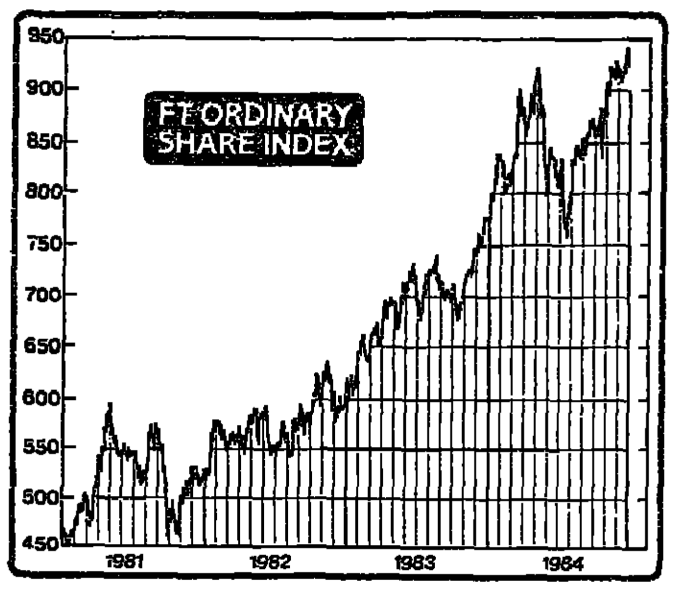
A squeeze on bear positions helped Royal Bank of Scotland close 10 better at 250p; the rise was also accompanied by revived suggestions that Lloyds Bank may be ready to sell its 21.34 per cent stake in the group. The major clearers edged higher after Thursday's depression caused by a put-through of 2m shares in Midland: the latter rallied 4 to 362p, while Barclays hardened a couple of pence to 554p. Clive put on a penny to 69p and Smith St Aubyn added 2 at 63p following a revival of takeover speculation among Discount Houses.

The volume of business in British Telecom continued to wane and the close was a fraction easier at 98½p compared with Monday's peak of 103½p.

Comment on the cautious interim statement left Distillers a further 3 down for a decline of 17 on the week to 293p. Elsewhere, dealings in Tomatin were suspended at 18p pending an announcement. Breweries edged higher in thin trading with Allied Lyons closing a penny dearer at 156p and Arthur Guinness 3 better at 202p.

A number of noteworthy movements emerged in the Building sector. Costain, a firm counter in recent days, rose 6 to 362p for a gain on the week of 18 following news of its U.S. subsidiary's acquisition of Fuels Corporation for $42m. On the other hand, Barratt Developments came under further selling pressure on fears that the group may cut its dividend and the close was 2 cheaper at 78p, after a 1984 low of 76p. Elsewhere, Leyland Paint put on 4 to 32p on persistent "new time" demand, while Tilbury Group gained 8 to 120p as takeover speculation revived.

ICI continued to resist the easier trend and the close was just a couple of pence off at 742p; the shares have enjoyed a re-rating following a major U.S. acquisition and have risen 62 since the announcement.



Dixons easier

The latest FT-CBI survey reinforcing the views of large retailers throughout the UK that Christmas spending is likely to be the best-ever, failed to drum up fresh support for leading Stores. Institutional investors, apparently satisfied with recent purchases, remained on the sidelines leaving the way clear for small sellers. Marks and Spencer softened a penny to 135p, while British Home dipped 5 to 271p as did Gussies A. to 689p. Secondary issues were mixed. Dixons, which have risen spectacularly since the group's first offer for Currys in October, paused for breath and finished 14 down at 558p; Currys lost 13 in sympathy to 617p. Executex hardened 2 to 31p and J. W. Wassall gained 3 to 58p following its revived speculative demand. Among Shoe and Leather concerns, Strong and Fisher came on offer at 135p, down 7.

Interest in leading Engineerings remained at a low ebb, but secondary issues recorded a number of noteworthy movements. James Neill, already firm at 129p, moved further ahead to close at 136p, up 10, on the announcement that Christopher Moran and Co and Mr J. C. Moran hold a 2.26 per cent stake in the company. Revived bid rumours prompted speculative activity in C. H. Bailey, 4½ to the good at 24½p, while Delta encountered fresh support and put on 2½ to 103p. Blackwood Hodge improved a couple of pence to 23p on the sale of an Australian subsidiary.

Apart from Thorn EMI, which met with occasional offerings and gave up 12 at 440p, leading Electricals were rarely altered. Elsewhere, revived speculative demand lifted Telephone Rentals 8 more to 200p. STC also found support and put on 6 to 286p, but profit-taking after the recent good rise clipped 7 from Lee Refrigeration, at 317p. Resource Technology fell 6 to 47p while Xyllyx, still reflecting the increased interim loss and proposed Board changes, gave up 2 further for a two-day loss of 10 to 13p.

Food Retailers, buoyant recently on seasonal considerations, succumbed to profit-taking. J. Sainsbury slipped 4 to 288p and Tesco eased 3 to 231p, while Kwik Save gave up 8 at 178p. Recent high-flyers Dee Corporation, 198p, and Argyll, 263p, lost 11 and 7 respectively but Hillyards moved against the trend and, in a market short of stock, rose 6 to a 1984 peak of 320p. The sector's current takeover favourites also retreated. Rowntree Mackintosh dipped to 365p prior to closing a net 6 down at 372p, while United Biscuits lost 2 to 192p. Cautious Press comment unsettled Tate and Lyle, which gave up 10 at 425p. Elsewhere, confectionery concern Bassett were a casualty at 148p, down 9.

Grand Metropolitan remained on offer in the wake of the disappointing annual profits and cautious statement and the close was 3 cheaper at 302p for a two-day decline of 28. Among other Hotels, Savoy A encountered fresh support in a limited market and rose 7 to a peak for the year of 412p.

Hanson improve afresh

Hanson Trust continued to make progress and closed 6 to the good at 310p. Powell Duffryn ended at 420p which is 7 above Hanson's share exchange offer currently worth 413p: PD issued a circular yesterday giving reasons for rejecting the bid. Elsewhere. Reckitt and Colman's proposed acquisition of Airwick Group from Ciba Geigy for approximately £165m failed to impress and the shares closed 21 lower at 552p. Reed International drifted off 6 to 536p on occasional profit-taking and Bowater cheapened 4 to 207p. News of the proposed acquisition of Lakeside House as its new headquarters enlivened interest in Pentland Industries, which touched 300p before settling 27 higher at 295p. Nash Industries, in contrast, dipped 9 to 38p on the reduced dividend and annual profits, while Rotaprint fell 1½ to 5½ on the heavier interim loss. Recent favourites affected by profit-taking included Smiths Industries, down 12 at 675p, and Fisons, 8 lower at 287p. MJI, still reflecting the half-year loss eased 2 further to 9p, while Brengreen gave up a couple of pence at 57p on news that Hawley Group had reduced its stake in the company.

Casino concern Aspinall Holdings continued to react to the disappointing annual results and shed 6 for a two-day fall of 20 to 104p. Elsewhere in the Leisure sector, Intasun firmed 5 to 125p: earlier in the week, the group withdrew from the bidding for Comfort Hotels and sold its 14.95 per cent stake to rival-bidder Ladbroke.

The cautious tenor of the chairman's statement at Monday's annual meeting continued to weigh on Lucas, which eased 3 more for a decline of 25 on the week to 242p. Elsewhere in Motors, ERF dropped 3 to 37p on the interim deficit.

Properties passed an uneventful session. Among the occasional movements, Great Portland Estates hardened a couple of pence to 162p and Hammerson A edged up 5 to 505p. Stock Conversion continued to attract support on hopes that a bid may eventually emerge and the coise was 5 dearer at 435p. Elsewhere, Espley Trust were unchanged at 13p following the dismissal of former chairman Mr Ron Shuck and the announcement of new boardroom appointments. After-hours, Whittington International rose a penny to 23p following a recommended share-exchange offer from Aitken Hume, 7 down at 133p.

Textiles displayed no set trend. Courtaulds cheapened 2 to 126p and Dawson International 4 to 266p, but Nottingham Manufacturing, unsuccessful in its attempt to acquire Johnson Group Cleaners, put on 4 at 208p.

In Tobaccos, Imps fell 4 to 175p.

A jump of 14 to 318p in Mercantile House was attributed to a squeeze on bear positions. Elsewhere in Financial Trusts, R. P. Martin firmed 5 to 380p.

Oils down again

Still overshadowed by the sale of large lines of stock on Wednesday afternoon—the Kwait Investment Office confirmed yesterday ithad sold 4m Shell, 3m Britoil and 1.5m IC Gas—leading Oils continued to drift easier on lack of support. Turnover was much reduced but the sector remained extremely sensitive amid the uncertainty that surrounds oil prices and production levels set by Opec, which has adjourned its Geneva meeting until next week.

At the close of trading BP were 5 easier at 465p—20 lower on the week—but Shell held at 630p. Britoil gave up 3 to 197p. Burmah eased a few pence to 216p reflecting disappointment at the lack of bid developments; on Wednesday the company revealed details of the sale of its Flexibox subsidiary to EIS Group for £4.59m

The Tea sector flared into prominence following news of a sizeable put-through in Assam Dooars at a level well above the market price; A.D. jumped 5½ points to £10½ and Western Dooars 3½ points to £7¾ in sympathy. Other Tea issues were immediately subjected to a re-rating. Williamson, which recently announced bumper results, advanced 85 to 512p, while Moran gained 50 to 750p and McLeod Russel rose 13 to 360p. Ruo Estates closed 65 higher at 325p and Plantation and General improved 10 to 305p. Eastern Produce, at 327p, recorded a sympathetic gain of 15.

Golds rally

A much more encouraging performance by the bullion price brought a measure of relief to recently beleaguered mining markets. Bullion made modest progress throuhgout the session and closed a net $3.625 higher at $310.875 an ounce, mainly reflecting the marginal decline in the dollar.

South African Gold shares were marked up at the outset and continued to improve for the rest of the day, thanks to persistent demand for the leading issues. This buying, which was thought to have emananted from Switezrland, coupled with bear closing left many stocks at the day's best levels and the Gold Mines index posted a 4.6 gain at 469.1 atlhough the measure closed the week with a net loss of 34.9.

Randfontein were especially firm, closing ¾ up at £79½ following the dividend annoucement while Vaal Reefs moved ahead to register a £1½ improvement at £72.

Anglo American Corporation highlighted South African Financials advancing strongly in a thin market to post a 30 rise at 980p. "Amgold" rallied £1½ to £71½ and De Beers hardened a few pence to 360p.

The rally in gold offset the general decline in domestic equities and London-domiciled Financials made modest progress, with the exception of Rio Tinto-Zinc which drifted back to close 5 cheaper at 583p. Consolidated Gold Fields attracted good support and ended 6 firmer at 463p while Charter put on 2 at 190p and Hampton Areas 3 to 156p.

Demand for Traded Options decreased with only 4,291 deals done, comprising 2,530 calls and 1,761 puts. British Telecom recorded 1,047 deals, while the FT-SE index accounted for 690.

FINANCIAL TIMES STOCK INDICES

	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 14	Year ago
Government Secs.	81.98	81.93	82.03	82.26	82.30	82.34	83.15
Fixed Interest	85.56	85.49	85.61	85.78	85.79	85.79	85.29
Ordinary	924.3	930.3	942.6	932.9	935.3	935.4	775.0
Gold Mines	469.1	464.5	476.2	483.2	487.7	504.0	568.4
Ord. Div. Yield	4.65	4.61	4.56	4.55	4.56	4.61	4.49
Earnings, Yld.% (full)	11.63	11.72	11.58	11.62	11.63	11.67	9.99
P/E Ratio (net) (*)	10.15	10.34	10.36	10.33	10.29	10.28	12.03
Total bargains (Est.)	29,518	23,333	24,343	26,711	27,343	27,927	10,812
Equity turnover £m.	—	480.74	437.38	384.96	434.77	436.93	133.33
Equity bargains	—	25,859	25,447	26,408	22,840	33,894	10,140
Shares traded (ml)	—	231.8	208.3	198.6	257.4	246.3	63.6

10 am 925.3, 11 am 926.4, Noon 925.1, 1 pm 924.7. 2 pm 923.9, 3 pm 924.1

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.82.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low		Dec 20	Dec 19
Govt. Sec.	83.77 (3/1)	75.72 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	133.9	122.1
Fixed Int.	87.48 (3/1)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	187.5	164.0
					Value	671.7	553.8
Ordinary	942.6 (19/12)	755.3 (23/7)	942.6 (19/12/84)	49.4 (26/6/40)	5-day Average Gilt Edged Bargains	136.0	134.6
Gold Mines	711.7 (16/1)	453.2 (18/12)	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains	187.3	202.4
					Value	679.1	687.9

LEADERS AND LAGGARDS

Percentage changes since December 30 1983 based on Thursday, December 20 1984.

Tobacco	+72.46	Property	+18.87
Insurance Brokers	+58.96	Capital Goods	+17.75
Health and H'sehold Products	+43.07	Investment Trusts	+17.70
Other Groups	+41.53	Shipping and Transport	+17.64
Other Industrial Materials	+36.07	Electronics	+16.61
Office Equipment	+34.10	Financial Group	+16.25
Newspapers, Publishing	+33.35	Chemicals	+15.43
Food Retailing	+32.61	Insurance (Life)	+14.84
Packaging and Paper	+32.11	Banks	+13.57
Consumer Group	+31.91	Building Materials	+13.17
Industrial Group	+29.98	Other Consumer	+12.08
Mechanical Engineering	+28.76	Motors	+11.04
Food Manufacturing	+27.84	Oils	+9.80
500 Share Index	+26.71	Leisure	+9.11
Stores	+26.43	Contracting, Construction	+7.40
Brewers and Distillers	+25.91	Electricals	+3.17
Insurance (Composite)	+24.92	Mining Finance	−5.97
All-Share Index	+23.74	Metals and Metal Forming	−7.30
Overseas Traders	+22.48	Merchant Banks	−11.22
Discount Houses	+22.03	Gold Mines Index	−18.29
Textiles	+19.05		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 17	Jan 4	Mar 21	Apr 1
Jan 2	Jan 18	Apr 11	Apr 22
Jan 21	Feb 1	Apr 25	May 7

For rate indications see end of Share Information Service

Money was given for the call of Mnemos, C. H. Bailey, Tilbury Group.

B. Elliott, Barratt Developments, Falcon Resources, Churchill Energy, Eglinton Oil, Telemetrix, Polly Peck, Aran Energy, Armour Trust, Petranol, Feedex, Premier Consolidated, Bula Resources, Samantha and Hill Minerals, Cable and Wireless were dealt in for the put, while a double option was completed in Tilbury Group.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Dec 21 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Dec 20 Index No.	Wed Dec 19 Index No.	Tues Dec 18 Index No.	Mon Dec 17 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (205)	548.72	−0.2	9.67	3.82	12.95	549.63	552.55	552.21	552.59	464.26
2 Building Materials (25)	504.20	−0.3	13.18	4.90	9.37	506.16	510.68	506.68	506.49	447.34
3 Contracting, Construction (30)	730.85	−0.2	13.37	5.38	9.49	731.39	733.58	728.87	727.73	673.87
4 Electricals (14)	1509.57	−0.3	10.36	4.77	12.18	1514.50	1518.58	1505.63	1612.23	1633.38
5 Electronics (34)	1919.49	+0.1	7.65	2.52	16.89	1918.53	1928.82	1952.54	1963.56	0.0
6 Mechanical Engineering (60)	273.65	−0.6	12.23	4.71	9.75	275.38	276.66	273.70	272.75	212.87
8 Metals and Metal Forming (9)	165.78	−0.4	14.02	7.38	8.90	165.85	167.83	167.34	166.46	171.56
9 Motors (17)	134.72	−0.6	11.37	5.06	—	137.54	138.38	136.54	134.44	124.66
10 Other Industrial Materials (18)	820.75	−0.1	5.95	3.28	20.82	821.98	824.16	814.47	808.36	599.56
21 CONSUMER GROUP (189)	603.95	−0.8	9.42	3.89	12.95	609.03	615.32	609.54	607.78	463.48
22 Brewers and Distillers (25)	552.61	−0.2	12.18	4.63	10.09	553.88	571.71	568.20	566.28	443.12
25 Food Manufacturing (21)	466.87	−0.8	12.32	4.85	10.12	469.97	471.91	467.52	466.95	366.78
26 Food Retailing (12)	1400.68	−1.6	7.01	2.45	19.00	1422.76	1433.75	1436.82	1444.91	1062.06
27 Health and Household Products (9)	1003.23	−0.6	5.79	2.43	20.63	1009.73	1015.73	1009.78	1001.73	733.61
29 Leisure (25)	665.00	−0.7	8.53	4.73	15.76	669.48	676.64	671.28	669.18	610.74
32 Newspapers, Publishing (13)	1468.96	−0.1	8.48	4.78	15.31	1450.34	1445.50	1437.09	1435.89	1069.80
33 Packaging and Paper (14)	288.27	−0.4	12.74	5.02	9.13	289.51	289.68	288.86	292.93	218.09
34 Stores (45)	535.02	−1.2	7.55	3.47	15.90	541.48	544.56	542.35	540.58	432.50
35 Textiles (19)	294.29	−0.8	13.54	5.38	8.51	296.63	297.96	294.61	292.09	253.42
36 Tobaccos (3)	695.94	−0.4	14.05	4.28	7.93	699.59	905.52	888.25	877.34	501.15
39 Other Consumer (7)	514.69	−0.4	13.20	4.34	—	515.91	517.37	516.77	512.76	448.58
41 OTHER GROUPS (89)	597.39	−0.1	9.90	4.38	12.85	597.93	600.95	599.43	595.57	424.56
42 Chemicals (17)	724.35	−0.4	12.44	4.50	10.26	727.40	729.58	726.39	717.89	637.49
44 Office Equipment (4)	147.79	+0.8	7.75	5.23	14.65	146.57	147.53	145.57	143.70	110.21
45 Shipping and Transport (13)	951.52	+0.1	9.09	5.12	14.96	950.79	957.89	944.77	937.96	803.56
46 Miscellaneous (53)	783.12	+0.4	8.19	3.54	14.84	779.92	781.97	776.27	768.86	535.37
47 Telephone Networks (2)	682.20	−0.3	9.81	4.72	13.30	684.28	689.81	689.09	690.69	0.0
49 INDUSTRIAL GROUP (483)	598.26	−0.4	9.70	3.99	12.73	600.89	605.06	601.70	600.27	462.82
51 Oils (17)	1027.73	−0.7	16.97	7.31	7.29	1035.40	1052.54	1058.45	1056.86	924.91
59 500 SHARE INDEX (500)	634.44	−0.5	10.65	4.42	11.60	637.49	642.71	640.08	638.65	501.43
61 FINANCIAL GROUP (118)	429.49	—	—	5.13	—	429.63	432.09	429.44	427.21	372.14
62 Banks (6)	427.20	+0.5	19.95	6.61	6.35	425.03	429.54	428.66	422.54	370.71
63 Discount Houses (6)	457.68	+0.1	—	6.69	—	457.31	460.54	460.62	461.92	354.41
65 Insurance (Life) (9)	578.57	−0.4	—	4.69	—	580.96	588.34	582.98	583.38	508.35
66 Insurance (Composite) (7)	308.65	−0.6	—	6.05	—	310.36	310.91	309.75	308.56	295.18
67 Insurance (Brokers) (6)	1003.66	−0.3	7.52	3.38	18.44	1006.38	1000.75	978.23	970.57	646.98
68 Merchant Banks (12)	217.66	+0.3	—	4.80	—	217.03	216.65	217.88	218.89	242.10
69 Property (53)	639.55	+0.1	5.32	3.50	25.04	638.98	648.74	644.64	642.80	533.39
70 Other Financial (19)	267.82	+0.3	11.10	5.49	10.97	266.99	265.49	262.54	260.23	244.04
71 Investment Trusts (105)	566.24	−0.3	—	3.43	—	567.94	569.21	563.95	565.41	432.47
81 Mining Finance (4)	270.56	—	11.05	5.61	11.48	270.65	271.94	269.13	271.71	280.91
91 Overseas Traders (14)	613.44	—	9.56	6.33	12.81	613.41	618.47	616.22	615.75	498.02
99 ALL-SHARE INDEX (741)	579.48	−0.4	—	4.52	—	582.21	586.60	583.80	582.47	469.64
	Index No.	Day's Change	Day's High	Day's Low						
FT-SE 100 SHARE INDEX	1204.7	−2.5	1204.9	1201.8	—	1207.2	1220.6	1216.2	1212.5	

EQUITY GROUPS & SUB-SECTIONS	1984 High		1984 Low		Since Compilation High		Since Compilation Low	
1 CAPITAL GOODS (205)	558.82	13/11	450.90	12/7	558.82	13/11/84	50.71	13/12/74
2 Building Materials (25)	537.59	27/4	442.48	12/7	537.59	27/4/84	44.27	11/12/74
3 Contracting, Construction (30)	776.48	2/4	602.70	12/7	831.69	15/5/83	71.48	2/12/74
4 Electricals (14)	1653.38	20/3	1404.80	24/7	1969.93	3/6/83	84.71	25/6/62
5 Electronics (34)	2049.65	13/1	1581.70	31/5	2049.65	13/1/84	1581.70	31/5/84
6 Mechanical Engineering (60)	282.09	20/12	232.79	3/1	276.66	19/12/84	45.43	6/1/75
8 Metals and Metal Forming (9)	209.74	13/3	155.97	18/10	209.74	13/3/84	49.65	6/1/75
9 Motors (17)	146.06	20/3	112.73	19/7	179.59	15/1/69	19.91	6/1/75
10 Other Industrial Materials (18)	824.16	19/12	592.04	13/7	824.16	19/12/84	277.55	15/1/81
21 CONSUMER GROUP (189)	615.32	19/12	463.40	3/1	615.32	19/12/84	61.41	13/12/74
22 Brewers and Distillers (25)	571.71	19/12	439.89	3/1	571.71	19/12/84	69.47	13/12/74
25 Food Manufacturing (21)	471.91	19/12	356.25	12/7	471.91	19/12/84	59.67	11/12/74
26 Food Retailing (12)	1444.91	17/12	1057.23	10/2	1444.91	17/12/84	54.25	11/12/74
27 Health and Household Products (9)	1019.75	12/12	706.66	4/1	1019.75	12/12/84	175.38	28/5/80
29 Leisure (25)	711.98	20/3	582.19	25/7	711.98	20/3/84	54.83	9/1/75
32 Newspapers, Publishing (13)	1450.34	20/12	1087.45	3/1	1450.34	20/12/84	55.08	6/1/75
33 Packaging and Paper (14)	293.60	19/12	211.47	24/7	289.68	19/12/84	43.46	6/1/75
34 Stores (45)	544.56	19/12	398.27	12/7	544.56	19/12/84	52.63	6/1/75
35 Textiles (19)	337.47	3/5	243.79	30/7	337.47	3/5/84	62.66	11/12/74
36 Tobaccos (3)	905.52	19/12	508.50	5/1	905.52	19/12/84	94.34	13/6/62
39 Other Consumer (7)	517.37	19/12	412.35	24/7	517.37	19/12/84	229.84	28/9/81
41 OTHER GROUPS (89)	600.95	19/12	408.95	3/1	600.95	19/12/84	58.63	6/1/75
42 Chemicals (17)	729.58	19/12	543.52	12/7	729.58	19/12/84	71.20	11/12/74
44 Office Equipment (4)	149.87	7/12	109.30	3/1	246.06	1/9/72	45.34	2/1/75
45 Shipping and Transport (13)	957.89	19/12	766.98	12/7	957.89	19/12/84	90.80	29/6/62
46 Miscellaneous (53)	783.12	21/12	533.90	4/1	783.12	21/12/84	60.39	6/1/75
47 Telephone Networks (2)	690.69	17/12	519.15	30/11	690.69	17/12/84	519.15	30/11/84
49 INDUSTRIAL GROUP (483)	605.06	19/12	456.41	12/7	605.06	19/12/84	59.81	13/12/74
51 Oils (17)	1199.54	2/5	933.37	30/7	1199.54	2/5/84	87.23	29/5/62
59 500 SHARE INDEX (500)	642.71	19/12	500.98	24/7	642.71	19/12/84	63.49	13/12/74
61 FINANCIAL GROUP (118)	432.11	19/12	344.83	31/5	432.11	19/12/84	55.88	13/12/74
62 Banks (6)	429.54	19/12	312.14	12/1	429.54	19/12/84	62.44	12/12/74
63 Discount Houses (6)	479.31	16/4	369.10	12/1	479.31	16/4/84	81.40	10/12/74
65 Insurance (Life) (9)	593.34	19/12	443.08	31/5	588.34	19/12/84	44.88	2/1/75
66 Insurance (Composite) (7)	317.66	29/11	247.22	3/1	317.66	29/11/84	43.96	13/12/74
67 Insurance (Brokers) (6)	1006.32	20/12	624.89	10/1	1006.32	20/12/84	65.86	16/12/74
68 Merchant Banks (12)	251.54	11/4	184.20	24/7	278.57	1/5/72	31.21	7/1/75
69 Property (53)	648.74	19/12	520.77	10/2	648.74	19/12/84	56.01	20/4/65
70 Other Financial (19)	283.65	30/3	224.87	24/7	303.18	18/5/72	33.29	17/12/74
71 Investment Trusts (105)	569.21	19/12	457.91	1/6	569.21	19/12/84	71.12	13/12/74
81 Mining Finance (4)	337.57	10/4	250.14	24/7	337.57	10/4/84	66.31	30/9/74
91 Overseas Traders (14)	618.47	19/12	489.92	11/1	618.47	19/12/84	97.37	6/1/75
99 ALL-SHARE INDEX (741)	586.60	19/12	464.84	24/7	586.60	19/12/84	61.92	13/12/74
FT-SE 100 SHARE INDEX	1220.6	19/12	986.9	23/7	1220.6	19/12/84	986.9	23/7/84

FIXED INTEREST

PRICE INDICES	Fri Dec 21	Day's change %	Thurs Dec 20	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	117.98	+0.17	117.78	—	11.26
2 5-15 years	129.37	+0.31	128.96	—	14.41
3 Over 15 years	135.99	+0.29	135.59	—	15.77
4 Irredeemables	149.87	+0.37	149.33	—	13.57
5 All stocks	128.17	+0.26	127.84	—	13.58
6 Debentures & Loans	109.57	+0.11	109.25	—	13.59
7 Preference	77.80	+0.04	77.77	—	6.59
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	109.77	+0.31	109.43	—	2.88

AVERAGE GROSS REDEMPTION YIELDS	Fri Dec 21	Thurs Dec 20	Year ago (approx.)	1984 Highs		1984 Lows	
British Government							
1 Low Coupons 5 years	10.60	10.60	9.32	12.82	30/7	9.24	17/1
2 15 years	10.41	10.45	9.99	11.65	30/7	9.88	9/1
3 25 years	9.99	9.98	9.74	10.98	23/7	9.63	9/1
4 Medium Coupons 5 years	11.21	11.25	10.89	13.13	30/7	10.49	13/3
5 15 years	10.33	10.88	10.56	12.20	30/7	10.41	9/1
6 25 years	10.23	10.27	10.82	11.53	23/7	9.87	9/1
7 High Coupons 5 years	11.28	11.31	11.06	13.38	30/7	10.62	6/3
8 15 years	10.99	11.02	10.75	12.30	30/7	10.61	13/3
9 25 years	10.33	10.36	10.12	11.40	23/7	9.98	9/1
10 Irredeemables	9.84	9.87	9.72	10.84	30/7	9.54	12/11
11 Debs & Loans 5 years	11.72	11.74	11.50	12.99	1/8	11.18	23/5
12 15 years	11.66	11.68	11.53	13.04	31/7	11.29	29/5
13 25 years	11.60	11.62	11.54	13.00	31/7	11.29	29/3
14 Preference	12.68	12.69	12.50	13.44	17/7	11.90	7/3
15 Inflation rate 5%	3.32	3.34	3.11	4.02	30/7	3.16	4/1
16 Inflation rate 10%	3.13	3.14	2.95	3.82	30/7	2.99	4/1

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	3/12/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Other Consumer	31/12/80	238.14	Mining Finance	29/12/67	100.00
Health/Household Products	30/12/77	261.77	All Other	10/04/62	100.00
Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Overseas Traders	31/12/74	100.00	Do. Index-linked	30/04/82	100.00
Mechanical Engineering	31/12/71	153.84	Debs. & Loans	31/12/77	100.00
Office Equipment	16/01/70	162.74	Preference	31/12/77	76.72
Industrial Group	31/12/70	128.20	FT-SE 100 Index	30/12/83	1000.00
Other Financial	31/12/70	128.06			

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Anglo Scottish Inv. Tst. (71) has been deleted, replaced by Japan Assets Tst. (71). Baltic (70) was inserted but no deletion.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (102)

AMERICANS (6)
CANADIANS (5)
BANKS (2)
BREWERS (1)
BUILDINGS (3)
CHEMICALS (3)
STORES (2)
ELECTRICALS (4)
ENGINEERING (3)
FOODS (4)
HOTELS (1)
INDUSTRIALS (21)
INSURANCE (7)
LEISURE (2)
PAPER (3)
PROPERTY (4)
TRUSTS (28)
PLANTATIONS (7)

NEW LOWS (17)

BUILDINGS (1)
Barratt Dvlpts
CHEMICALS (1)
Scot. Agricl. Inds.
STORES (1)
Formminster
ELECTRICALS (4)
Murray Tech. Invs Wordplex
Resource Technology Xyllyx
ENGINEERING (1)
Ash & Lacy
INDUSTRIALS (2)
Dwek MJI Corp.
OILS (6)
Carless Capel Clyde Petroleum
Charterhouse Pet. Flood Oil
Clyde Ultramar
MINES (1)
Indian Ocean Res. (1982)

RISES AND FALLS

	Yesterday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	93	2	9	170	227	123
Corporations, Dom. and Foreign Bonds	22	1	8	45	21	85
Industrials	204	352	871	1,558	1,206	4,372
Financial and Props.	83	131	349	724	419	1,672
Oils	9	45	73	72	203	366
Plantations	6	0	9	36	1	45
Mines	57	26	90	180	313	352
Others	47	101	126	435	345	486
Totals	481	658	1,525	3,216	2,735	7,401

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Bowater Inds	207	−4	Minet	243	−12
British Telecom	99½	−0½	Pentland Inds.	295	+27
Grand Met.	302	−3	Reckitt & Colman	552	−21
Hanson Trust	310	+6	Rowntree Mackintosh	372	−6
ICI	742	−2	Telephone Rentals	200	+8
Intl Petroleum	140	−8	Tilbury Group	120	+8

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Grand Met.	37	305	−25	Distillers	16	296	−10
Ultramar	27	205	−3	BET Dfd.	15	305	−5
Polly Peck	25	171	+9	Crystalate	15	220	+6
Utd. Scientific	21	243	+16	Dixons Group	15	572	+20
Brengreen	20	59	−3	Midland	14	358	−18
Minet	20	256	+38	Hanson Trust	14	304	+8
Britannia Arrow	17	84	+8	Mercantile Hse.	14	304	+12

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
ICI	140	744	+56	Beecham	77	385	+10
BAT Inds.	121	350	+28	Powell Duffryn	77	410	+28
Brit. Telecom	105	100	+1½	Bristol	76	200	+8
Burmah Oil	91	218	−9	Jaguar	72	228	+13
Shell Transport	88	630	+18	BTR	69	593	+6
Ultramar	84	205	−20	Falcon Res.	66	150	+2
				Lucas Inds.	66	245	−20

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or−	Net dividend	Times covered	Gross yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+or−
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or−
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. T Figures assumed. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Allotment letters (or fully-paid). ■ Introduction. ‡ Unlisted Securities Market. § Placing price. ‡‡ Dealt in under Rule 535(3).

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STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. Φ Bargains done the previous day. ⚠ Bargains done with non-member or executed in overseas markets.

APPOINTMENTS

Changes at Britannia Asset Management

BRITANNIA ASSET MANAGEMENT has made the following appointments: Mr James C. Parrish becomes chairman: Mr Adrian J. Brown, Mr Gareth W. Robertson and Mr Hugh R. Ward have been made directors from January 1. Mr David P. Kidd becomes international economist from January 1. At Britannia International Asset Management Mr Parrish has become chairman. Mr David C. Giban and Mr David C. Hypher have been appointed directors from January 1. Britannia Group of Unit Trusts has appointed Mr Kevin P. Ney as deputy chairman.

★

Mr David Winterbottom, divisional managing director of the EVODE GROUP paints and plastics division, has been appointed chairman of its adhesives and sealants division while retaining his other responsibilities. Mr Vasek Vohralik remains managing director of the division.

★

RICHARDS, LONGSTAFF (HOLDINGS) has appointed Mr J. H. Bacon and Mr J. E. Howard as directors of the aviation division of Richards, Longstaff (Insurance) from January 1.

★

PRESCOT COMMODITIES has appointed Mr P. J. M. O'Byrne and Mr A. M. Woodward as directors. Mr I. J. L. Thorne has become chairman in place of Col C. de Lisle, who has retired, but will continue as a consultant.

★

Mr Neil Cherrett has been appointed managing director of DAVY McKEE ENVIRONMENTAL, a new subsidiary of Davy.

★

Mr Peter C. Aspinall has been appointed to the board of S. G. MAGNETS as non-executive chairman. Until recently it was a BOC division. He was managing director of Chloride International before his retirement in October, and has recently joined the board of Whitworth's Food Group as non-executive deputy chairman.

★

P-B SECURITIES, DOWN, DE BOER & DUCKETT, stockbrokers, has appointed Mr Robert Luetchford as assistant director, technology. He joins from Plessey, where he was director of planning and business developments with the Office Systems subsidiary.

★

Mr George B. Scott has decided, on medical advice, to retire as chairman of NORTH WEST GAS, from January 13. Mr Howard Greenfield, at present chairman of North Eastern Gas, has been appointed chairman of North West Gas from January 14. Mr Scott will continue with the British Gas Corporation. Following a period of convalescence, he will be undertaking special projects.

★

BRYANT HOLDINGS has made the following appointments from January 1. Mr Terry Flower, deputy managing director of Bryant Homes, and Mr Ken Harvey, managing director of Bryant Construction, to the board of Bryant Holdings. Mr John Dennison to the board of Bryant Homes (Southern) and Bryant Group Services. Mr Geoff Potton to the board of Bryant Homes (Southern); and Mr Stuart Roberts to the board of Bryant Construction (Southern).

★

Mr Ewart Boddington, executive chairman of BODDINGTONS BREWERIES, Manchester, has been elected chairman of THE BREWERS' SOCIETY. He succeeds Mr Charles Tidbury, Whitbread and Co., who has been elected a vice-president. Mr Edward Guinness, vice-chairman of Arthur Guinness Son and Co. (Great Britain), has been elected vice-chairman of the Society.

★

Mr Robert Chillcott, Mr Thomas Hughes Hallett, Mr Martin O. Hutchinson, and Mr Jonathan Paine, has been appointed directors of ENSKILDA SECURITIES.

★

Mr Ed Morley, at present managing director of Barclays Australia (Finance), will be rejoining MERCANTILE CREDIT as executive director for operations division from March 1. Mr Morley has been on secondment to Barclays since 1976 when, following a five-year period as chief executive of Mercantile Credit Company of Ireland, he became general manager of Barclays Western Bank in Johannesburg. He has headed Barclays Australia (Finance) since 1979.

★

Mr John Jenkins has been appointed to the board of OVERSEAS CONTAINERS from January 1. Mr Jenkins is chairman and managing director of Overseas Containers Australia Pty. OCL's subsidiary in Australia, based in Sydney.

★

Mr J. C. Marvin has been appointed group managing director of HICKSON INTERNATIONAL in succession to Mr J. D. Horner, who will become a non-executive director.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

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INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Midland Bank Tst Corp (Jersey) Ltd
28-34, Hill St. St Helier, Jersey. 0481 26741
MdBkOsGt 105.1 105.5 .... 11.37
Minerals Oils Res Shrs Fd no
PO Box 194, St Helier, Jersey. 0534 27441
MdBkIntBd $1.07 1.08 .... 7.41
MresDc20 $10.46 10.78 −0.31 3.71

Samuel Montagu Ldn Agents
114, Old Broad St, EC2. 01-626 3434
MtAmEl(z) 102.5 107.7 +0.5 5.36
MtJapInc(z) 71.8 75.5xd +0.6 4.11
MntGltInc(z) 49.8 52.8 .... 10.23
MtRsD18 £15.19 15.20 .... 9.17
MtInDc18 $9.57 9.10 .... —
ApDc18 SF104.05 110.75 .... 1.26
JpDc17 HK$42.87 46.40 .... 0.15
117GpN30 $17.43 18.75 .... 1.38
MFRNFD19 10.20 10.22xd .... —
USFIFNv6 $11.22 11.82 .... —

Murray Johnstone (Inv Adviser)
163, Hope St, Glasgow, C2. 041-221 5521
HpeStD18 $17.28 72.05 .... —
MurFdD20 £18.98 20.22 .... —
PacFdDec19 $4.00 4.28 .... —

NEL International Ltd
PO Box 110, St Peter Port, Guernsey, CI.
Sterling Dep 77.3 81.4 .... —
SterlFxdInt 89.0 93.7 .... —
Sterling Man 93.5 103.8 .... —
Inc Fxd Man 104.8 113.9 .... —
Int Man 104.2 113.2 .... —

Nat Westminster Jersey Fd Mgrs Ltd
23/25 Broad St, St Helier, Jersey. 0534 70041
HaInFd(a)(b) 56.0 53.8 +1.0 10.71
EqtyFd(a)(b) 109.0 102.5 −1.0 2.05
IntBdFd(a)* 82.0 79.6xd 6.30
*Sub day every Thurs.

County Bank Currency Fund (z)
Dollar Class $23.1942 +0.0166 —
Sterling Class £11.4976 +0.0096 —
D-Mark Cl DM53.6567 +0.0201 —
DutchGldrCl DFl 53.6026 +0.0176 —
Jap Yen Cl Y5,445.1792 +2.5424 —

Negit SA
10a Boulevard Royal, Luxembourg.
NAV 9.24 .... —

Newport International Management
Bank of Bermuda Bldg, Bermuda. 809 295 4000
NptIntSec $15.24 — .... —
NptIntInc $14.57 — .... —
NptPacific $11.80 — .... —

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg, Bermuda. 809 295 4000
Amer Tst $7.94 8.25 .... —

Normandy Trust Managers Ltd
29, Athol St, Douglas, IoM. 0624 29696
Ndy Mt £0.9672 1.0182 .... 2.00
Ndy CT £1.2327 1.2977 .... 2.00
ChCGr £0.7851 0.8054 .... 2.00

Northgate Unit Tst Mngrs (Jersey) Ltd
PO Box 82, St Helier, Jersey. 0534 73741
PacFdDc19 $1.53 12.40 .... —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
Inv. Adv., M & G Inv. Mngt. Ltd., London.
NAV $15.81 +0.05 —

Perpetual UT Mngrs (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
OffshrGrw $1.12 1.191 .... —

Phoenix International
PO Box 77, St Peter Port, Guernsey. 0481 23539
IntDollarFd $4.01 4.32 .... —
Far East Fd $3.34 3.60 .... —
Int Crrcy Fd $1.70 1.64 .... —
DlrFxdIntFd $4.15 4.47 .... —
StgEx £2.55 2.76 .... —

Providence Capitol International Ltd
PO Box 121, St Peter Port, Guernsey. 0481 26726/9
£UKFxdInt 162.5 174.8 .... —
£UKStkMkt 173.0 186.1 .... —
£stMdFd 148.3 159.6 .... —
£5pcMkFd 96.9 104.2 .... —
$IntStkMkt 91.7 98.7 .... —
$IntFxdInt 121.7 130.9 .... —
$DllrMdFd 110.1 118.4 .... —
$IntCurrncy 107.6 115.8 .... —
$WldTech 125.5 135.0 .... —
$NAMStkMt 98.2 105.6 .... —
$ Far East 104.9 112.8 .... —
SwFrMgd $5.029 5.407 .... —
Prices Dec 19. Next dealing Dec 27.
For other prices ring 0481 26726-9.

Putnam International Advisers Ltd
10 12 Cork St, London, W1. 01-439 1391
Emerg Health Sci $8.63 .... —
International Fd $54.88 +0.67 —
For Quest Fund Man. (Jersey) see Royal Trust Intnl. Magt.

Quilter/Heinold Commodities
31-45 Gresham St, EC2V 7LH 01-600 4177
Resce Fd $133.22 — 2.12
Next dealing date Dec 3.

Rea Brothers (IoM) Ltd
29 Athol St, Douglas, IoM. 0624 29696
Bond Fd £1.2875 1.33 .... 7.75

Richmond Life Ass Ltd
4 Hill Street, Douglas, IoM. 0624 29441
Gold Bond 230.6 245.2 +2.8 —
StrDpBd 179.56 191.97 .... 9.17
UK Gilt Fd 168.4 179.0 +0.8 —

Rothschild Asset Management (CI)
St. Julian's Ct, St Peter Port, Guernsey. 0481 26741
OCAmerFd* $2.70 2.86xd −0.02 0.98
OCsCo*** 205.4 217.7 .... 1.54
OC Cdy*** 122.2 129.9 .... 2.40
OCsCmdy* $29.17 30.92 −2.63 1.90
HK F†† HK$38.77 41.09 .... —
***Pcs Dec 7. N.D. Dec 21. *Pcs Dec 21. N.D. Jan 7. ††Dlg. ev. Wed.
ICIR £ £16.117 +0.004 8.75
OCIR A$ A$16.053 +0.005 9.52
OCIR C$ C$41.632 +0.011 9.23
OCIR DFl DFl 53.70 +0.01 4.61
OCIR DKr DKr182.251 +0.045 10.14
OCIR DM DM54.046 +0.007 4.69
OCIR BFr BFr966.08 +0.24 9.31
OCIR FFr FFr188.975 +0.035 9.62
OCIR HK$ HK$107.057 +0.016 5.62
OCIR Lire L44.382 +17 13.74
OCIR S$ $70.89 +0.01 5.11
OCIR SF SF47.7192 +0.0053 3.92
OCIR US$ $33.386 +0.008 7.85
OCIR Yen Y6,746.27 +0.88 5.30
OC Man £ £9.75620 10.05794 —
OCM DM DM38.84524 40.04666 —
OC Man $ $11.63899 11.99895 —

Rothschild Australia Asset Mgmt Ltd
17 Bridge St, Sydney 2000, Australia.
Five Arrows $1.39 1.42 +0.01 6.30

Rouse Woodstock (Bermuda) Ltd
POB 1179 Hamilton, Bermuda. 809 295 2244
Systemtrend $9.88 .... —

Royal Bank of Canada Funds
PO Box 246, St Peter Port, Guernsey. 0481 23021
RBC Invest Managers Ltd
IntIncFd $9.93 10.58 .... 7.70
IntlCapFd $16.91 18.34 +0.16 —
NthAmFd $7.39 8.05 .... —
FrEst&PacF $9.96 10.29 .... —
Canadn Fd C$10.02 10.61 .... —
RBC Intl Currencies Fd Ltd
U.S. $ $23.95 +0.02 —
Canadian $ C$29.77 +0.02 —
£ Sterling £11.92 +0.01 —
D-Mark DM54.48 +0.02 —
Swiss Franc SF42.12 +0.01 —
Japanese Yen Y6.633 +3 —
Managed Fund $22.23 +0.01 —

Royal Trust Intnl Fd Mgmt Ltd (x)
PO Box 104, St Helier, Jersey. 0534 27441
StlFxdFd £0.884 0.895 .... 9.20(d)
Intl Secs $1.099 1.145 .... 0.93
Intl Bds $0.771 0.781 .... 10.05(d)
Prices on Dec 19. Next dealing Dec 27.

SCI/TECH SA
2 Boulevard Royal, Luxembourg.
SCI Tech NAV 9.55 −0.06 —

Save & Prosper International
PO Box 73, St Helier, Jersey. 0534 73933
DM Bd DM10.86 11.45 +0.01 4.80
$ Fxd Int $7.71 8.21xd −0.01 10.72
Stlg Fxd £108.8 115.0 +0.4 12.17
Yen Bond Y1.472 1.554 −1 2.90
Equity Funds
GlobPtfFd $4.59 4.96 .... 0.83
UK Growth 160.5 173.6 −0.7 1.66
Intl Grwth $9.95 10.76 −0.04 1.02
FarEastern $20.26 21.91 +0.07 0.34
Nth Amer $7.66 8.29 .... 0.11
Gold $8.71 9.42 −0.03 3.40
Multicurrency Reserve Funds
U.S. $ 1.00 — 8.69
D-Marks 10.00 — 3.97
£ Sterling 1.00 — 8.25
Yen 1,000.00 — 5.28
Deposit Fund
SterlDeposit 192.7 192.8 +0.1 0.13
All funds are daily dealings.

Schroder Mngt Services (Jersey) Ltd
PO Box 103, St Helier, Jersey 0534 27561
Schroder Money Funds Ltd
Sterling £15.7475 .... 8.98
U.S. $ $29.7606 .... 8.90
Deutschmrks DM54.4153 .... 4.63
Swiss Francs SF153.1054 .... 3.52

J. Henry Schroder Wagg & Co Ltd
120, Cheapside, EC2. 01-382 6000
AmInDec5 $27.36 .... 0.40
AsFdNv19 $23.50 24.64 .... 3.73
ChpsDc11 $10.13 — .... 2.—
DlsFdD21 A$3.30 3.53 −0.05 3.9
JapFdDc20 $17.28 18.56 +0.44 0.22
TrlsFdN30 $15.97 16.95 .... —
N&TDc10 $34.14 — .... —

Schroder Unit Trust Mgrs Int Ltd
Box 273, St Peter Port, Guernsey. 0481 28750
Mgd Crncy* 604.2 637.0 −3.8 1.28
£ Fxd Int* 614.9 648.7xd +2.0 7.71
£ Equity* 169.3 181.0xd −0.8 2.21
$FxdInt* $1.081 1.163 +0.001 8.68
$ Equity* $1.502 1.606 .... 0.62
HK Fd* 8.502 9.092 .... 2.20
Schroder Life Assurance Int Ltd
MgdCrLfFd 678.9 729.4 .... —
£FxdInLFd 773.7 831.4 .... —
£EqtyLfFd 182.7 196.4 .... —
$FxdItLFd $1.417 1.523 .... —
$EqtyLfFd 1.511 1.624 .... —
£MgdLfFd 127.9 137.4 .... —
HK Lf Fd 7.801 8.382 .... —
Prices on Dec 19. Next dealing Dec 27.
*Daily dealing.

Scrimgeour Kemp-Gee Mngmt Jersey
1, Charing Cross, St Helier, Jersey. 0534 73741
SKG Cap Fd 316.4 326.0xd 6.54
SKG Inc Fd 66.5 68.6 .... 7.00
Gilt Bond 177.9 183.1 .... —

Securities Selection Ltd
Bermuda Hse, St Peter Port, Guernsey. 0481 26277
Forexfund $7.51 7.90 .... —

Sentry Assurance International Ltd
PO Box 1776, Hamilton 5. Bermuda 55333
For Funds Prices Phone UK 0908 670333 (24 hrs).

Singer & Friedlander Ldn Agents
21 New St, Bishopsgate, EC2M 4HR. 01-623 3000
Dekafs DM29.65 31.25 .... 6.84
TkyoTNv2 — $64.00 .. 2.40

Standard Chartered Off Money Mkt Fd
PO Box 122, St Helier, Jersey 0534 74454
Sterling £11.595 +0.0081 8.90
U.S. $ $22.5607 +0.0154 8.32
D-Mark DM53.0553 +0.0202 4.60
Swiss Fr SF41.5693 +0.0109 3.15
Jap Yen Y5,354.3721 +2.3124 5.21

State St Bank Equity Hldgs NV
Car Mgt Co. & John B. Gorsiraweg, Curacao.
Net asset value Dec 18 $8.16.

Strategic Metal Trust Mngrs Ltd
48 Athol Street, Douglas, IoM. 0624 25015
Strg Mt $0.9350 0.9827 .... —

Stronghold Management Ltd
PO Box 315, St Helier, Jersey. 0534 71460
Cmdy Tst £63.18 66.51 . —

Surinvest (Jersey) Ltd
4 Hill St, Douglas, IoM 0624 27441
Copper Tst £14.19 14.97 .. —

TSB Trust Funds (CI)
26 Hill St, St Helier
TSB Gilt Fd 102.0 105.0 11.4
TSBGiltFdJy 102.0 105.0 .... 11.45
TSB Jy Fd 98.7 103.9 .... 3.65
TSB Grnsy Fd 98.7 103.9 .... 3.65
TSBCrncyFd 103.0 108.2 .... —
Prices on Dec 19. Next sub day Dec 27.

Taiwan (ROC) Fund
c/o Vickers da Costa Ltd, King William St, London, EC4. 01-623 2494
NAV $460 IDR value US$11,851.47.

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 72936
Man Cur Fd 106.0 111.7 −0.3 4.12

Tennant (Cayman) Managers Ltd and NATCO
PO Box 2183, Grand Cayman. 0101 (809) 9497436
Wstmstr-Cm $7.66 8.08 −0.71 —

Tokyo Pacific Holdings NV
Intimis Management Co NV, Curacao.
NAV per share $135.55.

Tokyo Pacific Hldgs (Seaboard) NV
Intimis Management Co NV, Curacao.
NAV per share $98.91.

Tyndall Bank (Isle of Man) Ltd
33 Athol St, Douglas, IoM. 0624 29201
Stg Mny Fd 9.25 Nil Qtr Chq/7
US$MnyAcc 7.25 Nil Qtr Chq/7

Tyndall Managers
2 New St, St Helier, Jersey. 0534 37331/3
TOFSL 198.1 212.8 .... 1.17
American 213.0 230.0 .... 1.74
Far Eastern 269.0 288.0 .... 0.87
European 114.2 122.4 .... 0.81
Prtflo Man 106.4 114.3 .... —
Prtflo Amer 102.6 110.8 .... —
PrtfloSirEst 110.3 118.1 .... —
PrtfloSoEur 107.2 114.8 .... —
Jersel Fd 172.8 188.6xd 4.89
(Non-JceUts) 423.2 461.8 .... —
Gilt Funds 115.6 117.6xd 10.17
(AccumShs) 312.0 317.4 .... —
Victory House, Douglas, IoM. 0624 2411
HighIntGilt 111.6 113.8 .... 12.38
(Accum Shs) 214.4 218.4 .... —

Tyndall International Assurance Ltd
Albert House, St Peter Port, Guernsey. 0481 27066
Int Equity 444.1 464.4 .... —
Do $ 5.155 5.430 .... —
PacificEqty 139.3 146.7 .... —
Do $ 1.625 1.715 .... —
NAmerEqty 95.4 100.5 .... —
Do $ 1.115 1.175 .... —
UK Equity 300.0 325.3 .... —
Do $ 3.610 3.800 .... —
Euro Eqty 119.8 126.2 .... —
Do $ 1.400 1.475 .... —
IntlFxdInt 474.6 499.6 .... —
Do $ 5.550 5.845 .... —
StlgFxdInt 274.3 288.8 .... —
Do $ 3.025 3.375 .... —
$ Deposit 149.3 157.2 .... —
Do $ 1.745 1.840 .... —
StgDeposit 157.4 165.7 .... —
Do $ 1.840 1.940 .... —
Commdity 463.9 488.4 .... —
Do $ 5.425 5.715 .... —
Gold 80.8 85.1 .... —
Do $ 0.945 0.995 .... —
UK Prpty 195.2 205.5 .... —
Do $ 2.280 2.400 .... —
Intl Mngd 370.0 389.5 .... —
Do $ 4.325 4.555 .... —
UK Mangd 263.6 277.5 .... —
Do $ 3.080 3.245 .... —

Tyndall-Guardian Mngt Ltd
PO Box 1256, Hamilton, Bermuda.
T-G American $19.88 .... —
T-G Money $24.14 .... —
T-G Eurobond $16.82 .... —
T-G Commodity $22.45 .... —
T-G Mortgage C$22.24 .... —
T-G Overseas $10.90 .... —
T-G Wall Street $25.39 .... —
T-G Pacific Y2.063 .... —
T-G Gold $7.88 .... —

M. G. Tyrrell & Co Ltd
PO Box 415, London W13 9NY.
Ortac $11.65 11.95 .... —

Unico Invest Fd Mgt Co SA Lux
London & Continental Bankers Ltd
2 Throgmorton Ave, London 01-638 6111
UC Inv Fd $69.91 72.00 −0.10 —

Union-Investment-Gesellschaft GmbH
Postfach 16767, D 6000, Frankfurt 16.
Unifds DM19.58 20.60 +0.10 —
Unirak DM71.32 74.90 −0.30 —
Unirents DM40.18 41.40 +0.10 —

United Fund Managers Ltd
16-18 Queens Rd Central, Hong Kong. 5-231417
$ Mly Tst 9.00 9.39 .... 10.08
For Vanbrugh Currency Fund see Holborn Fund Management (Jersey) Ltd

S. G. Warburg & Co Ltd and subsdrs
33 King William St, EC3R 9AS. 01-280 2222
Energy Int $42.20 — +0.07 —
Eurobond $16.28 16.45 +0.06 7.34
Sci Risk $15.23 15.78 .... 1.58
39-41 Broad Street, St Helier Jsy, CI. 0534 74715
Cmn Mkt £28.14 28.85 .... 1.35
Far East £27.48 28.18 .... 0.89
Transatl £26.58 27.25 +1.44 1.80
Metals £12.32 12.62 −1.33 9.19
Sel Mkt £21.69 22.24xd +0.87 1.58
Mercury Money Market Trust Ltd
D-Mark DM79.55 +0.04 —
Dutch Guilder DFl 107.09 .... —
Japanese Yen Y8.029 .... —
£ Sterling £20.12 +0.03 —
Swiss Franc SwFr77.62 +0.02 —
U.S. $ $34.12 +0.04 —
1 Thomas St Douglas, IoM. 0624 4856
Iom 58.4 62.2 −0.1 7.60
Intl Bond 41.5 44.2 −0.4 6.5

Wardley Fund Managers (Jersey) Ltd
HK Bk Bldg, Grenville St, St Helier. 0534 71460
WrdlyGltFd 100.0 104.0 .... 10.82

Wardley Investment Services Ltd
4th Floor, Hutchinson House, Hong Kong.
Wrdly Trust $5.30 5.67 .... 1.41
WdyNKAF $26.92 28.55 .... 5.25
WrdlyRdT $10.36 11.00 .... 7.36
WrdlyJapT $33.39 35.40 .... 0.28
WrdlyPrCT $10.17 10.70 .... 2.06

West Avon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963
Gilt&OptFd £1.20 1.26 .... 5.00
U.S. & Opt $0.94 0.99 .... —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.
Inv. Adv.: M&G Inv. Mngt. Ltd., London.
WwdGthFd $11.29 — −0.03 —

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 25015
Wren Com Fd 12.7 13.2 .... 3.10
Chinese Fd 58.6 61.2 .... 1.70
PrecMetFd 60.3 63.6 .... 8.30
VangCmdyFd 22.8 23.4 .... —
FinFuturesFd 32.4 33.8 .... —

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.
Dynamic Grw Fd $3.04 −0.09 —

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	9.11	9.34	6mth	Call
7-day Fund	9.36	9.59	6mth	7-day
Oppenheimer Money Management Ltd				
66 Cannon St EC4N 6AE. 01-236 1425				
Call Fund	8.75	8.94	6mth	Call
7-day Fund	8.93	9.12	3mth	Call
MnyMgAc	8.75	9.04	6mth	Call
Dollar	7.00	7.12	6mth	2-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
TreasuryAcc	9.375	9.71	Qtr	Call
Mth Int Chq	9.25	9.65	Mth	Call
Bank of Scotland				
38 Threadneedle St. EC2 2EH. 01-628 8060				
Cheque Acc	9.25	9.65	Mth	Call
Prime Account				
PO Box 175, Northampton. 0604 252891				
High Int Chq	9.25	9.57	Qtr	Call
Investment Companies				
Circus EC2M 5QL 01-555 2777				
Cater Allen	9.00	9.38	Mth	Call
Deposit plc				
1 Paternoster Row. EC4M 7DH. 01-248 3999				
Sterling	9.00	9.381	Mth	Call
U.S. Dollar	7.50	7.763	Mth	Call
German Marks	5.0	5.116	Mth	Call
Swiss Francs	2.0	2.018	Mth	Call
Japanese Yen	5.0	5.116	Mth	Call
Choulartons				
78 Ashley Rd, Altrincham, Cheshire, WA1 ... 061-928 9011				
Cheque Acc	9.75	10.20	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3. 01-626 6543 Ext 454				
Under £1,000	8.00	8.24	Qtr	Call
Over £1,000	10.00	10.38	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon, TQ9 6JE. 0803 862271				
MnyMktAcc	9.50	89.84	Qtr	Call
Henderson/Bank of Scotland				
... EC2P. 01-628 8060				
MyMtChqAc	9.25	9.65	Mth	Call
North Central plc				
... St. W1A 3DH 01-499 3434				
Notice Dep	9.75	10.12	Rate	14-day
Benson				
91-93 New London Rd, Chelmsford. 0245 51651				
HighIntChqAc	9.30	9.74	Daily	Call
PO Box 2 Sheffield. 0742 20999 Ext 8738				
HighIntChq	9.30	9.62	Qtr	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford. RM1 3LB. 0708 66966				
HighIntMkAc	9.00	9.41	Daily	Call
Premier Acc	9.00	9.41	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St. Bristol BS8 4BX 0272 732241				
Demand Acc	9.13	9.47	Qtr	Call
Money Acc	9.375	9.71	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth. 0705 827733				
Special Acc	8.90	9.27	Mth	Call
Over £10,000	9.15	9.54	Mth	Call

Rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. †† Only available to charitable bodies. ∆ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
105¾	100¼	Treas. 15pc 1985	100½	.....	14.90	10.15
102¾	100	Exch. 12pc Cnv. '85	100¼	+⅛	11.94	9.52
97¾	93¼	Treas 3pc 1985	97¾	.....	3.05	10.04
102¾	99⅞	Treas 11¼pc 1985	[illegible]	.....	11.40	9.96
99¾	96¼	Treas 8¼pcCnv '85	[illegible]	.....	8.83	10.02
104¼	99⅞	Exch. 12¼pc 1985	101¼	+¼	12.09	10.06
103¼	99¼	Exch. 11½pc '86	101½	+¼	11.59	10.36
102¾	96¼	Treas. 10pcCnv 1986	99¼	+¼	10.04	10.44
93¼	88¾	Treas 3pc 1986	92¼	.....	3.23	8.38
102	96¾	Exch. 10½pc Cv '86	[illegible]	+⅛	10.49	10.40
104¼	99¼	Treas 12pc 1986	101¼	+⅛	11.79	10.62
98¾	93⅞	Treas 6½pc 1984-86‡‡	97¾	+¼	6.74	10.53
108¼	102¼	Exch. 14pc 1986	105¼	.....	13.29	10.70
89¾	85	Exch. 2½pc 1986	[illegible]	.....	2.23	9.14
107¼	100¼	Exch. 13¼pc 1987	104¼	+¼	12.67	10.76
100¾	94¾	Treas 10½pcCv '87	98¼	+¼	10.37	10.84
87¾	83¾	Exch 2½pc 1987	86¼	+⅛	2.88	9.40
101¼	94¼	Exch. 10½pc 1987	99¼	+⅛	10.57	10.82
92¾	87	Funding 6½pc '85-87‡‡	92¼	+¼	7.10	10.69
99¾	92⅞	Treas. 10pc 1987	93¾	+⅛	10.17	10.80
86¾	81¼	Treas 3pc 1987	85¾	.....	3.50	9.50
105	97¾	Treas. 12pc 1987	102¾	+⅛	11.69	10.88
94⅞	87¼	Treas 7¾pc 1985-88‡‡	92¾	-¼	8.39	10.74
100¼	92¼	Exch 10½pc '88	98¼	+¼	10.66	11.04
98¼	89¼	Treas 9¼pc Cv '88	96¼	+¼	10.13	11.04
82¼	77	Transport 3pc '78-88	81½	-¼	3.68	9.30
96¼	88¼	Treas. 9½pc '88	94¼	+¼	10.01	11.14
106¼	94¼	Treas 11½pc 1989	102¼	+¼	11.37	11.12
96¼	87¼	Treas 9½pc Cnv. '89	95¼	+¼	10.01	10.99
99¾	90¼	Treas 10½pc 1989	97¾	+⅛	10.73	11.12
100¼	88⅞	Exch 10pc 1989	95¼	+¼	10.45	11.21

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
55	23	New Sabina Res C$1	29	+3	—	—	—
365	220	Northgate C$1	270	–5	—	—	—
718	500	RTZ	583	–5	†18.0	2.7	4.4
£155½	£113½	Do. 9½pcLn '95-2000	£129½	–1½	Q9½%	35.4	0.1
£11¼	850	Tara Expln $1	975	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	90	.....	Arnott	258	.....
Craig & Rose £1	£11	.....	CPI Hldgs	49xd	.....
Finlay Pkg. 5p	42	.....	Carrol Inds.	86½xc	.....
Higsons Brew	83	.....	Dublin Gas	65	.....
Holt (Jos) 25p	860	.....	Hall (R. & H.)	43	.....
IoM Stm. £1	110	+5	Heiton Hldgs.	14½	.....
IRISH			Irish Ropes	34	.....
Exch. 12% 1985	£98¾	.....	Jacob (W. & R.)	65	.....
Nat. 9¾% 84/89	£23	.....	TMG	72	.....
Fin. 13% 97/02	£87⅛	+⅛	Unidare	78	.....

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	15	Hanson Tst.	22	Vickers	18
BAT	30	Hawker Sidd	38		
BOC Grp.	24	Hse of Fraser	28	**Property**	
BSR	15	ICI	50	Brit Land	14
Babcock	13	'Imps'	14	Cap Counties	18
Barclays Bank	42	Jaguar	18	Land Secs	24
Beecham	30	Ladbroke	20	MEPC	30
Blue Circle	46	Legal & Gen	42	Peachey	24
Boots	18	Lex Service	32	Samuel Props	14
Bowaters	16	Lloyds Bank	42	Sterling Guar.	5½
Brit Aerospace	34	Lucas Inds.	24		
Brit. Telecom	7½	Marks & Spcr	10	**Oils**	
Brown (J.)	3	Midland Bk	33	Brit. Oil & Min	4½
Burton Ord	32	NEI	9	Brit Petroleum	58
Cadburys	14	Nat West Bk	54	Burmah Oil	19
Comm Union	15	P & O Dfd	24	Charterhall	6
Courtaulds	11	Plessey	20	Premier	6
Debenhams	19	Polly Peck	25	Shell	55
Distillers	24	Racal Elect.	24	Tricentrol	22
Dunlop	5	RHM	10	Ultramar	22
FNFC	7	Rank Org Ord	24		
Gen Accident	42	Reed Intl	50	**Mines**	
Gen Electric	20	Sears	7	Charter Cons	21
Glaxo	90	TI	18	Cons Gold	42
Grand Met.	26	Tesco	8	Lonrho	14
GUS 'A'	55	Thorn EMI	42	Rio T Zinc	60
Guardian	58	Trust Houses	12		
GKN	16	Turner Newall	9		
		Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES

Saturday December 22 1984

MAN IN THE NEWS

A fresh wind from the East

BY DAVID BUCHAN

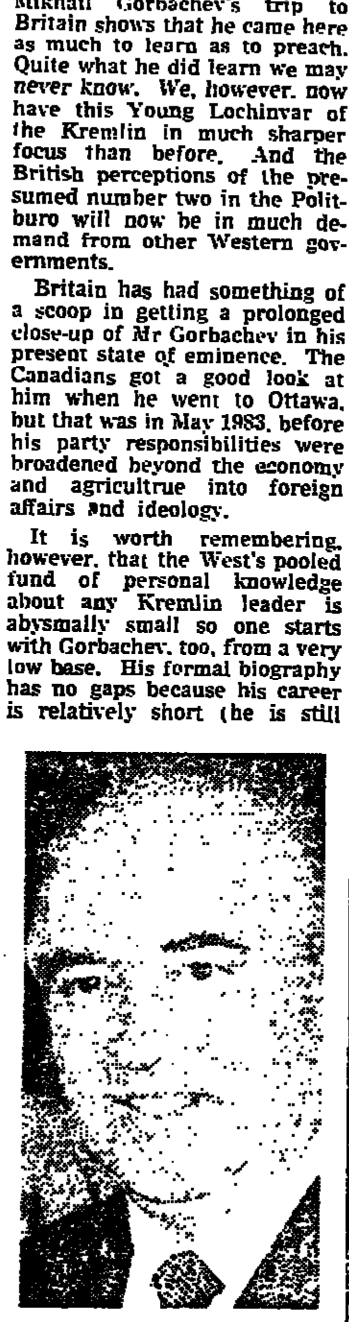
"COMRADE Mikhail Sergeyevich, there is this little factory near Aberdeen using a Soviet licence to make oil drills. Why not go there when you're in Scotland to remind the British of what we can do in technology? Your presence would surely strike a blow of Soviet technical achievement."

"Thank you, Comrade Ambassador, but no—I come to Britain to see British technology, what they have to offer. I know what we have."

This incident—reconstructed with a bit of poetic licence—in the advance planning of Mr Mikhail Gorbachev's trip to Britain shows that he came here as much to learn as to preach. Quite what he did learn we may never know. We, however, now have this Young Lochinvar of the Kremlin in much sharper focus than before. And the British perceptions of the presumed number two in the Politburo will now be in much demand from other Western governments.

Britain has had something of a scoop in getting a prolonged close-up of Mr Gorbachev in his present state of eminence. The Canadians got a good look at him when he went to Ottawa, but that was in May 1983, before his party responsibilities were broadened beyond the economy and agricultrue into foreign affairs and ideology.

It is worth remembering, however, that the West's pooled fund of personal knowledge about any Kremlin leader is abysmally small so one starts with Gorbachev, too, from a very low base. His formal biography has no gaps because his career is relatively short (he is still only 53) and orthodox—wholly within the Communist Party. His private life is shrouded in mystery—as it is intended to be. Part of the British press ballyhoo about his stylish wife Raisa is because Westerners had never seen her until last March. It is not known whether the Gorbachevs have children.



Mikhail Gorbachev . . . educational visit.

Several preconceptions about Mr Gorbachev have been confirmed by his visit. First, he is an impressive performer. He struck his British interlocutors as abl eto master a wide spread of subjects and to debate in phrases other than standard Sovspeak. In short, more like a Gromyko than a Chernenko. This may be why Mrs Thatcher, who prides herself on the same qualities, declares "I like Gorbachev—we can do business together."

This is perhaps not surprising from the Politburo's only university graduate; like Mrs Thatcher he holds two degrees, one in law and the other in agronomy. Certainly, it helps explain how he manages to track such a wide range of issues without perhaps the resources of the General Secretary himself.

Second, he showed a self-confident ease of manner in Britain, different for instance from a blustering Khrushchev or a protocolaire Brezhnev. By being pictured at the wheel of a Leyland Montego, or quipping about the British Museum being to blame for Marx, he did the Soviet image in Britain good. And by counter-attacking British MPs on Britain's own human rights record, he probably did the Soviet image no harm.

Third, he appeared to be a clever manoeuvrer. The most sensitive subject for Mr Gorbachev is the Kremlin leadership succession—which is one of the reasons why he was never likely to hold a press conference in London, for that would surely have been one of the first questions. But he was careful in his speeches (negotiated and written beforehand, of course, in Moscow) to emphasise his role as messenger for President Chernenko.

Fall in imports gives boost to trade balance

BY ANATOLE KALETSKY

BRITAIN'S TRADE balance improved sharply last month after a run of record deficits in the previous three months, according to figures released yesterday by the Department of Trade.

Much of the improvement was due to a fall in imports, which had been artificially boosted by traders seeking to pre-empt the change on November 1in rules on VAT payments, but yesterday's statistics also showed that the marked recovery in Britain's export performance, which began last year, is being maintained.

The deficit on visible trade last month fell to £122m from the exceptional level of £888m in October, while the deficit on non-oil trade declined to £546m, reflecting the UK's best trade performance since a £359m non-oil deficit in February.

Adding an estimated surplus of £400m in Britain's invisible trade in services and other financial transactions, the current account of the balance of payments overall showed a surplus of £278m last month and a significant improvement on the figures recorded earlier this year.

The improved current account performance was particularly welcome to the Treasury. The forecast in the Chancellor's Autumn Statement that the current account would end the year in overall balance was greeted with scepticism in the City, but yesterday's figures showed that the current account deficit fo rthe first 11 months of this year has been only £181m, leaving a small gap which the Treasury expects to be closed by another surplus this month.

The most encouraging aspect of the November figures was the £196m increase in non-oil exports and the even sharper improvement of £314m in exports excluding erratic items such as ships, precious stones.

Exports excluding erratic items and oil were up 13 per cent in volume terms, compared with their average level in the fourth quarter of last year and were 14.9 per cent above the average volume exported in 1980.

Some analysts believe, however, that last month's big jump in non-oil expors may reflect a faulty seasonal adjustment which had understated exports in the previous three months.

Even in spite of the big improvement last month, Britain's overall performance in non-oil trade continues to show a big deficit—£10.5bn in the first 11 months of this year. That has been counterbalanced by surpluses of £6.4bn in oil and a revised estimate of £3.9bn on trade in invisibles.

Editorial comment, Page 14
Information technology trade balance, Page 3

BALANCE OF PAYMENTS
(£bn, seasonally adustedo)

	Currentxx balance	Visible (oil)	Balance (non-oil)	Invisible balance
1982	4.88	4.56	−2.50	2.82
1983	2.99	6.88	−7.98	3.40
1983 3rd qtr	0.75	1.49	−1.86	1.12
4th qtr	0.35	2.10	−2.32	0.57
1984 1st qtr	0.42	2.32	−2.47	0.58
2nd qtr	−0.38	1.55	−2.85	0.92
3rd qtr	−0.54	1.73	−3.38	1.11
3 monthhs to November	−0.14	1.40	−3.23	1.70

Note: Recent figures for invisibles are estimates subject to revision.

BL's car market share falls sharply

By Kenneth Gooding, Motor Industry Correspondent

BL's SHARE of the car market so far in December has fallen sharply below the level seen ast month, leaving the company in danger of dropping to the lowest place in any month in its history.

By c omparison, General Motors, the Vauxhall-Opel combine, looks like finishing the year as strongly as it began and could have a record share of December sales.

According to the Society of Motor Manufacturers and Traders, after 20 days of December registrations, BL's share was only 12.6 per cent (against 19 per cent in November). GM's was 21.22 per cent (against 15.6 per cent). Fird, the market leader, had 25.47 per cent (against 29.2 per cent).

GM's surge reflects its breakthrough into the company car fleet business whereas Austin Rover, BL's volume car subsidiary, has still to make its showing in this sector.

The fleets continue to buy new cars during December, but private customers tend to wait until the New Year.

The U.S. group has been boosted by the Vauxhall Cavalier's emergence as the favourite fleet car. In the first 20 days of December, the Cavalier was the best seller with 4,267 registrations.

GM's target of its market share up from 1983's 14.6 per cent to 16 per cent this year seems relatively modest, but BL will have to pull something out of the bag in the last few days of December if its share is not to fall below 18 per cent from 18.6 per cent in 1983.

According to the SMMT, new the first 20 days of this month rar registrations at 43,552 in were 27.4 per cent below the same period last year.

This indicates registrations for the full year of about 1.741m, nearly 3 per cent down on the record 1.791m in 1983. The previous record, 1.71m, was reached in 1979.

The top-ten best selling cars after 20 days were: 1 Vauxhall Cavalier (4,267), 2 Ford Fiesta (4,104), 3 Ford Escort (3,003), 4 Ford Sierra (2,040), 5 Vauxhall Astra (1,838), 6 Austin Metro (1,739), 7 Vauxhall Nova (1,529), 8 Ford Orion (1,020), 9 Peugeot 205 (975), 10 Austin Maestro (965).

N. Atlantic air fare cut likely

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CUTS IN North Atlantic air fares in early January bringing lower rates for the rest of the winter now seem certain. The cheapest return fare, between London and ew York, may drop by about £40 to £259.

The Transport Department yesterday told British Airways and the foreign airlines, including Pan Am and Trans World, serving the UK-U.S. markets, that they could reapply for the cheaper air fares, originally sought by the airlines in late October, to become effective November 1.

These fares had been blocked by the department amid fears that their implementation would lay the UK airlines open to accusations of violating U.S. anti-trust laws.

One cause of this uncertainty was that Virgin Atlantic, the cheap fare trans-Atlantic airline serving New York (New Jersey) from Gatwick, had indicated it would regard the other airlines' £259 return rate as "predatory" — unfair and designed to deprice it of business — in comparison with its own £258 return rate.

This week, however, the U.S. Justice Department, which was studying the matter, said that airlines introducing cheap fares would not be liable to anti-trust action.

All the airlines involved are expected to file new applications for fares to apply until March 31.

Given the Christmas break, applications may be delayed in processing, but the cheap rates seem most likely to become effective at about January 1.

Mr Michael Spicer, Aviation Minister, said yesterday that the U.S. Government had provided assurances that would enable the cheap fares to be approved for the remainder of the winter.

He said: "We accept these assurances without prejudice to our general view that our air services agreement with the U.S. (Bermuda 2) should not be subject to the provisions of U.S. law.

"This matter will continue to be the subject of discussions between ourselves and the U.S. Government. We must certainly agree satisfactory arrangements which will allow government-aproved competitive fares to be sold in the future without our airlines running the risk of private anti-trust suits in the U.S. domestic courts."

● Cathay Pacific Airways of Hong Kong has ordered a second "stretched upper deck" Boeing 747-300 Jumbo jet, worth more than $100m (£85.7m). The aircraft, due for delivery in March, 1986, is expected to have Rolls-Royce RB-211 engines. Cathay Pacific has taken an option on a third such aircraft. The airline already has a fleet of nine earlier model Boeing 747s.

Oil prices

Continued from Page 1

Energy Minister, said the draft resolution on policing, now to be considered by Opec governments, would permit inspectors "to control the conditions oof exports for crude oil and refined products."

Sheikh Ali Khalifa al Sabah, Kuwait's oil minister, said there would be an executive committee of three to five ministers with the right to appoint "auditors of international repute" who would be empowered to see all relevant books. The ai mwas "to make the system as transparent as possible."

It is also doubtful whether a policing system could be set up before Opec's crumbling price structure comes under further pressure with the onset of spring.

The resumed meeting in Geneva after Christmas is expected to address the problem of revising Opec's system of price differentials—a divisive and contentious issue which this week's meeting failed to discus formally. The formula insisted upon by Saudi Arabia, with the support of other producers of heavy crudes, is that they should be raised by 50 cents or so per barrel and the extra lights lowered by about 25 cents close to the $29 reference price

The United Arab Emirates is not alone in opposing this formula, which is considered inadequate not only in terms of rectifying the enormous discrepancy between light and heavy crudes but also because it is not capable of allowing producers of premium varieties, like the UAE, to fulfil their quotas.

Mr Fawzi Shakshuki, Libyan chief delegate, is understood to have expressed his country's reservations in consultations here. That is somewhat ironic in that he, like Dr Mana Said al Otaiba of the UAE, were appointed members of the committee appointed by the last conference here to recommend changes in price differentials.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exch. 10½pc 1995	£93½	+ ½
Treas. 2½pcIL 2020	£94½	+ ½
Anglo Amer. Corp.	980	+ 30
Assam-Dooars	£10½	+ 5½
Bailey (C. H.)	24½	+ 4½
Bestobell	333	+ 8
Costain	362	+ 6
Hanson Trust	310	+ 6
Leyland Paint	322	+ 4
Mercantile House	318	+ 14
Royal Bank of Scot	250	+ 10
Telephone Rentals	200	+ 8
Tilbury Group	120	+ 8
Western Dooars Tea	738	+ 338
Wiliamson Tea	512	+ 85

FALLS

Aspinall	104	− 6
Carless Capel	160	− 7
ERF	37	− 3
Lec Refrigeration	313	− 7
Minet	243	− 12
Reckitt & Colman	552	− 21
R'otree Mackintosh	372	− 6
Smiths Inds.	675	− 12
Tate & Lyle	425	− 10
Thorn EMI	440	− 12

WORLDWIDE WEATHER

UK today: Mild. Cloudy with rain. Fog on hills and along SW coast. Bright intervals later. Windy in South.

	Y'day midday	°C	°F		Y'day midday	°C	°F		Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	S	15	59	Corfu	F	16	61	Luxmbg.	C	4	39	Peking	S	-5	23
Amsdm.	S	8	46	Dallas	—	—	—	Madeira	C	18	64	Perth	S	28	82
Athens	C	13	55	Dublin	F	5	41	Majorca	R	16	61	Prague	R	3	37
Bahrain	F	19	66	Dbrvnk.	S	16	61	Malaga	F	16	61	Rykjvk.	Sn	-2	28
Barclna.	F	12	54	Edinbgh.	S	6	43	Malta	C	16	61	Rhodes	S	17	63
Beirut	S	20	68	Faro	F	18	64	M'chstr.	C	7	45	Rio J'ei	—	—	—
Belfast	F	5	41	Florence	C	9	48	Melbne.	C	21	70	Rome	F	14	57
Belgrd.	S	8	46	Frankft.	F	5	41	Mx. C.†	—	—	—	Salzbrg.	R	3	37
Berlin	R	7	45	Geneva	F	8	46	Miami†	C	19	66	S'cisco†	—	—	—
Biarritz	C	13	55	Gibrltr.	C	16	61	Milan	S	7	45	S'tiago†	—	—	—
Bmghm.	F	6	43	GGl'sg'w	F	8	46	Montrl.†	F	-14	7	Stchm.	C	3	37
Blackpl.	S	8	46	Guernsey	S	8	46	Moscow	S	-14	7	Strasbg.	F	9	48
Bombay	S	30	86	Helsinki	Sn	1	34	Munich	R	6	43	Sydney	S	22	72
Bordx	F	12	54	H. Kong	C	17	63	Naples	S	16	61	Tel Aviv	S	23	73
Boulgn.	S	6	43	Innsbrk.	F	2	36	Nassau	—	—	—	Tenerife	F	20	68
Bristol	F	8	46	Invrnss.	Fl	4	39	Nwcsd.	S	6	43	Tokyo	C	8	46
Brussels	C	7	45	I.o.Man	F	6	43	N. Delhi	S	16	61	T'rnto†	C	-8	18
Budpst.	Fg	2	36	Istanbul	C	7	45	N. York	F	2	36	Tunis	F	16	61
Cairo	C	—	—	Jersey	S	9	48	Nice	F	13	55	Valencia	F	14	57
Cardiff	F	6	43	Jo'burg	—	—	—	Nicosia	F	13	55	Venice	F	8	46
Cape T	S	24	75	L. Plms.	F	20	68	Oporto	C	13	55	Vienna	R	1	34
Chicgo	S	1	34	Lisbon	S	13	55	Oslo	F	-2	28	Warsaw	C	4	39
Cologne	C	6	43	Locarno	S	6	43	Paris	F	8	46	Zurich	F	5	41
				London	S	8	46								
				L. Ang.†											

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. † Noon GMT temperatures.

Ship insurance set to rise after Iraq air raids in Gulf

BY OUR MIDDLE EAST STAFF

ATTACKS BY Iraqi Super-Etendard aircraft firing Exocet missiles left two oil tankers ablaze in the Gulf yesterday and were expected by London insurance brokers to bring sharply higher premiums for vessels intending to use Iran's main oil export terminal at Kharg Island.

Thor Dahl, the Norwegian ship-owner of Sandefjord, said the 114,099 dwt Thorshavet had been hit about 90 miles south-east of Kharg.

The crew of 19 Norwegians and seven Spaniards had been forced to abandon ship, although there were no reports of casualties. Two crew members were later reported to have returned to the ship to try to extinguish the blaze.

Thor Dahl said the vessel was carrying 230,000 tonnes of crude oil and had left Kharg Island only a few hours before being attacked.

A second vessel, the 112,228 dwt Liberian - registered Magnolia was reported to have been attacked about 30 miles south of Kharg. Two of its crew were reported killed and the others had abandoned ship.

A military official in Baghdad claimed earlier that, "Two large naval targets" had been attacked and set on fire.

Insurance brokers in London said the attacks would lead to a sharp increase in premiums for vessels intending to berth at Kharg Island.

The Thorshavet and the Magnolia were the fifth and sixth vessels to have been hit in the Gulf since Iraq resumed its attacks on shipping on December 5, following a six-week lull. Smit International the Dutch salvage group said one of its tugs was on its way to asist the Thorshavet.

Despite Iraq's attempts this year to enforce an exclusion zone around Kharg Island, Iranian oil exports have not been seriously affected. The attacks on shipping within the zone have been spasmodic and no vessel has yet been sunk.

Iraq has pledged to continue the attacks until Iran agrees to negotiate an end to the Gulf war. Iran insists it will continue fighting until the government of President Saddam Hussein is removed.

Notts miners

Continued from Page 1

● The Irish High Court yesterday released to the NUM an undisclosed amount of the £2.73m funds frozen in a Dublin bank, to enable the union to finance its opposition to a pending claim to the funds by the receiver and sequestrators appointed by the English High Court.

In the High Court in London, the sequestrators yesterday reported that the National Union of Railwaymen had lent £100,000 to the NUM, and the TUC had collected £269,000 to relieve hardship among miners and their families.

BT costs

Continued from Page 1

Stockbrokers: Cazenove acted on 11 of the issues and W. Greenwell and Rowe and Pitman have each been involved with six flotations. Both Hoare Govett and Mullens have also been active with several issues.

Auditors: Each of the big six firms has been involved as an adviser on one or more oi the issues, with none predominant. So far, the work has been shared between Deloitte, Price Waterhouse, Peat Marwick, Coopers and Lybrand, Ernst and Whinney and Thomson McLintock.

Solicitors: The big City firms have, as expected dominated the legal advice on floatations. Both Freshfields and Linklaters and Pains have been involved with nine issues, slightly ahead of Slaughter and May.

In addition, the Bank of England has been involved with some issues, notably the two sales of BP shares, in 1979 and 1983, and in other cases, such as the sale of Jaguar last summer, the costs were incurred primarily by BL itself.

The fees and commissions paid on British Telecom account for the bulk of those since 1979, though substantial amounts have been paid on the series of oil issues, including BP, Britoil and Enterprise Oil.

THE LEX COLUMN

Reckitt pays a perfumed price

There was never a chance that Reckitt and Colman's acquisition of Airwick Group would score much of a hit in the stock market. Any deal was bound to look second best after the ultimately unsuccessful offer for Nicholas Kiwi, which arounsed almost as much enthusiasm in the market as in Reckitt5s own headquarters. The company tried valiantly yesterday to produce the same effect with Airwick, but its message fell on deaf ears. The Reckitt share price, which was standing at its high for the year on Thursday, dropped 21p to 552p.

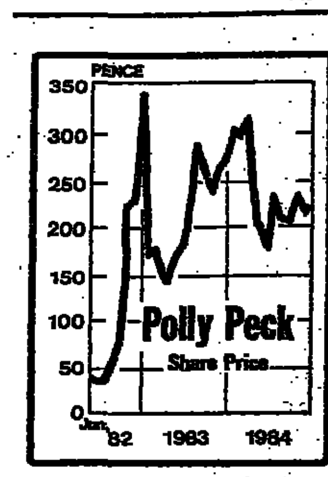
The strategic arguments all sound thoroughly sensible. Airwick gives Reckitt a proper foothold in the U.S. household goods market as well as a range of international brands with which the British company should feel comfortable. Products lavatorial are nothing new to Reckitt.

The problem is the price. Airwick has shown little earnings growth since Ciba-Geigy bought it a decade ago and trading profits for the year to December will be little different from ast year's SwFr 29m. After debiting interest and tax, Reckitt is paying cose to 40 times earnings for Airwick, which looks rather a lot for air fresheners and carpet shampoo.

Reckitt clearly believes that it can sweeten Airwick's margins in next to no time. Under Ciba-Geigy management, the company will show a return on sales of around 4.5 per cent in the current year. Reckitt is too polite to say that Swiss pharmaceutical company may not be the best managers of U.S. household product businesses, but instead points to its own trading returns of 10 to 12 per cent for reference purposes. Even those margins have been depressed over the past year by the exceptional launch costs on Bully in the U.S.

But, even assuming that Airwick's margins can be brought up to the Reckitt norm, the acquisition looks no bargain next to the price paid by Beecham for the BAT cosmetics business earlier this week. So Reckitt will have a job on its hands to persuade the market that the presence gained in the U.S. justifies the opportunity cost. Moreover, there is a lingering suspicion that having earmarked its rights issue proceeds for an acquisition Reckitt felt under some pressure to go out and spend the money. That is perhaps too harsh a judgment. Reckitt has apparently been talking to Ciba-Geigy for two and a-half years and saw some advantage in buying Airwick, where management work still needed to be done, rather than the spruced-up Kiwi. The difficulty is that all the work seems already to have been reflected in the transaction price.

Index fell 6.0 to 924.3



Markets

Weaving towards the end of the account, the London market has been in that pleasant mood when bad news can be left over for the following morning—or the New Year. There have been times when this week's straggly and possibly destructive Opec meeting, casting yet another shadow over oil prices, would have done much more harm than it has—as yet—to sterling, to gilt-edged, and even to equities.

A particularly damaging tale, you might think, was the apparent decision by the Kuwait investment office to unload some large lines of UK oil companies, including Shell, BP, Britoil and Lasmo. If this was a coded signal, it needed little unravelling: a leading member of Opec was taking a rather cool view of the industry as a long-term investment. Yet the resulting weakness in oil shares seemed nothing for British pension funds to worry about over the holiday.

It must also be quite encouraging for the authorities that sterling's wobble did not carry over into domestic credit markets to any market degree. Received opinion at present holds that encouraging interest rates to rise would be nothing to support sterling, and so nobody is prepared to worry about the possibility. For once, everyone is agreed that oil holds the key.

A couple of mildly discouraging results only skimmed some of the froth from what remains a remarkably strong equity market. Nobody was too thrilled with Grand Metropolitan, or Distillers for that matter, but that was on Thursday and pretty fully discounted beforehand. By that time the City was coasting along on a warm feeling left over from takeovers earlier in the week. The glow of BAT's £664m cash offer for Hambro Life cannot have hindered the placing of £100m of Beecham shares in exchange for BAT's cosmetics, while the latest forays from takeover specialists Hanson Trust and BTR suggest more cash at hand before long. In any case, there is evidently life after Telecom; small shareholders are still having no trouble at all taking around 100p a share from underweight institutions.

Polly Peck

How Polly Peck manages to pack in 38 per cent margins from wrapping cardboard boxes around lemons is made no clearer from its report and accounts, published yesterday. What they do show, however, is the company's prodigious thirst when it comes to soaking up its own cash—and its ability to slake it with little outside help. £57m of funds were generated last year, all of which and more, were used up, leaving a demand for cash of just under £2m. Purchases of tangible assets leaped to £27.4m, nearly 20 times the £1.4m depreciation. And working capital is up by £19.5m, compared with £5.2m the previous year.

To try to deliver the 60 per cent compound growth rate it has managed in the past, Polly Peck will plough in another £40m of capital expenditure this year. And as well as a first-time contribution from TV and video assembly, profits from the water-bottling operation will come on stream in the current year.

But none of this seems to be enough to assuage the market's sceptism about a company which makes so much money in industries which should by rights be competitive. Back in 1982, when investors were still starry-eyed, the p/e reached 37. Now it is a humble 4.